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The Nation's Business

Mr. Hepburn and Australia

ONTARIO'S Premier Hepburn thinks Australia is the best-governed country in the world. He is going there to see how green the far-away pastures really are.

Three things apparently interest him.

1. The debt conversion scheme 1929.
2. The Commonwealth Bank and its relation to public finance.
3. Australia's social legislation.

As to social legislation, Mr. Hepburn is quoted as believing the Australian statutes to be the most advanced and effective of their kind in the world.

He is probably confusing Australia with New Zealand.

Australia has no national unemployment insurance scheme. Health and contributory pension legislation (based directly on the British system) is only now being introduced. The new measures which become effective January 1, are merely an application to Australian conditions of long-established British practice. It is rather fantastic to think that much can be learned at first hand about a system that is not yet on the statutes.

In New Zealand he will find that the "New Deal" in that country has already led to a complete Government control of imports, exports and the foreign exchange markets, reminiscent of Germany's hermetically-sealed economic frontiers.

* * *

IN RESPECT of money, banking and public finance problems generally, the prospect of Mr. Hepburn and his associates obtaining some valuable ideas and advice is more promising.

For one thing he is taking with him his "funny money" minister, Hon. Colin Campbell, Minister of Public Works.

If Mr. Campbell probes carefully the monetary system which Australia has built up around its Commonwealth Bank he will find no support whatever for his own monetary views.

* * *

Debt Conversion and Loan Councils

ON THE question of debt conversion and loan councils there are equally important lessons to be learned in Australia.

Three years ago Finance Minister Dunning called a federal-provincial conference at Ottawa to invoke a National Loan Council. Under this, loans of co-operating provinces would be supervised and guaranteed. The Council's first job was to arrange refinancing at 3%, and under Dominion-Council guarantee, of the bonds of the provinces which decided to participate actively. This saving was estimated at the time at $30 millions annually.

In reporting this conference in Dec., 1935, a Post staff writer stated:

> "The Financial Post is informed on excellent authority that tacit approval of all provinces, with the exception of Ontario, has been obtained. Premier Mitchell F. Hepburn, of Ontario, remains the only major political obstacle to creation of the debt-controlling body."

Subsequently the Alberta Government refused to accept the Loan Council principle and the whole plan (which was linked with a constitutional amendment in respect of provincial taxation) was rejected by the Senate in June, 1936.

Mr. Hepburn's failure to approve the plan in 1935 was apparently because he favored then (as now) a compulsory conversion scheme for all government debt—federal, provincial and municipal. He made such a proposal at that time.

* * *

THE differences between the Australian and the Canadian picture are many and important. For one thing, Australia's debt was held largely within the country. Canada's is held abroad.

But the one lesson which Australia learned is that the essence of any plan of refunding or debt conversion is that it must be done as a co-ordinated national effort.

Australia found a solution to her problem because under the threat of crisis and impending bankruptcy she rallied every group and government in the Commonwealth under a great national campaign of "Equality of Sacrifice."

When faced with an opportunity to co-operate in Canada, Premier Hepburn was apparently unwilling to do his part.

Perhaps in Australia he will learn at first hand the sort of co-operation and sacrifice that is needed to achieve any worth-while solution.

New Crisis Faces Australia

AS A matter of fact Australia today faces another national crisis.

She finds that her Loan Council and Premier's Conference, which were attempts to overcome constitutional restraints, were only expedients. To quote the London Times account of the speech made by Mr. Scullin, leader of the Opposition, on this subject in the House of Representatives last month:

"Every national emergency found Australia's hands tied by constitutional manacles, resulting in inaction and serious delay, and bringing serious ridicule into the Parliamentary system.

"No unity could be procured

(Continued on page 2, col. 4)

This new aerial ladder for the Winnipeg fire department is 100 feet long when extended like a telescope to its full length. It is shown here resting against a sixth story window of the King Edward Hotel in Toronto where it was tried out before being shipped. Telephone communication from the top to the bottom is a special feature. It was built in Toronto by the LaFrance Fire Engine & Foamite Ltd.

5,000 Czech Families Have Eyes on Canada

Government Ready to Pay Part Cost of Moving Them to Dominion

Special Correspondence

LONDON.—If Canada wants them 5,000 farmers' families, fugitives from Sudetenland, have their eyes fixed on the Dominion as the best place in the world to re-establish their homes.

The Czecho-Slovakian Government would be willing to pay transportation costs of moving these families, numbering some 16,000 persons, to their destination. Not all of them are destitute and it is believed that arrangements could be made for each family to have a minimum amount of cash to help pay costs of settlement.

Pick of Refugees

If immediate arrangements were made to lower Canadian immigration restrictions, it is stated that Canada could get the pick of the farmer refugees on comparatively favorable terms.

In addition to the farmers there are a number of industrial workers, trained craftsmen in glass, porcelain, woodworking and specialized branches of the textile industry, who, it is believed here, might interest Canada. Other countries are already surveying the ground in this regard.

All told it is estimated that it will be necessary for 70,000 people to leave Czecho-Slovakia. These divide roughly into 42,000 Czechs, Slovaks and Ruthenians; 20,000 Jewish and 8,000 German Democrats from Sudetenland.

Most of the £10,000,000 given the Czech Government by Britain, will, it is understood, be used to rehabilitate the Czechs who remain in that country. But it is believed there will be funds available to help finance migrants if the countries to which they are going insist on this being done.

Small Farmers

It is still difficult to estimate accurately the number of families which will have to leave the country. It is stated that 16,000 agricultural families were driven out of Ruthenia into Slovakia alone. Every Slovak farmer has been ordered to take one refugee family for each 35 acres of land he owns. This is, of course, only a stop-gap arrangement to prevent undue suffering until final plans have been made.

The fugitive farmers are accustomed to working on small farms and it is believed that they would do better if given about 40 acres of land each in some form of collective farming.

Naturally Czecho-Slovakia wishes to get rid of surplus refugees as cheaply as possible. Politics are reported to have already been injected into settlement of the problem. It is positively stated that Czecho-Slovakia will shortly become pro-German and anti-Jewish, but not until the Government has secured the final decision on the proposed Anglo-French loan.

Jewish Problem

But Czecho-Slovakia offers only a part of the rapidly growing world refugee problem. As a result of the drive against the Jews in Germany it is estimated that there are 740,000 Jews or part Jews seeking new homes. From what was formerly Austria there are another 186,000 Jews without including an unknown number of part Jews, which might bring the total to 300,000.

And now that Italy has joined the anti-Semitic drive there is likely to be another migration. Sir John Hope Simpson, former vice-president of the Refugee Settlement Commission, estimates the Italian total at 20,000 or more.

Ottawa More Cautious

From Our Own Correspondent

OTTAWA.—After more than two months of frequent cabinet discussions the Dominion Government is still unable to take a definite stand on the question of refugee immigration.

The main reason is that in these two months the problem has drifted from the economic field to that of politics where it promises to become a lively issue in next year's election campaign. Vigorous opposition of all French ministers in the Cabinet has not encouraged either Mr. King or Hon. T. A. Crerar to make any hasty move.

Meanwhile Canadian participation in the five-year refugee migration

(Continued on page 4, col. 3)

Goodyear Giving Employees Bonus

All workers in the employ of Goodyear Tire & Rubber Co. of Canada who have lost pay as a result of legal holidays in the past year are receiving the regular scale of pay for the days missed as a Christmas bonus. This will involve all workers who are paid by the hour but does not apply to office workers and others on salary.

It will mean an extra seven days pay for the workers.

Basis for this bonus is said by company officials to be the comparatively good year enjoyed by the company in 1938. Shareholders are being paid a bonus of $5 a share on Dec. 29. Continuation of this policy next year will depend on the actual course of business.

B. C. Industry Gets Breather

Government Hand Held from Utilities, Fuel Companies

From Our Own Correspondent

VANCOUVER. — Industry is enjoying a breathing spell while the Government ponders what two men it will name to serve with its economic major-domo, Dr. W. A. Carrothers, on the newly created public utilities commission.

The commission faces a strenuous task and one that will engage its attention for at least a year in dealing only with the preliminaries. Breaking ground in virtually a virgin field, the commission's assignment will be to bring all utilities under provincial control.

Some idea of the magnitude of that job was given by Premier T. D. Pattullo the other day when he said that an analysis of the situation with respect to B. C. Power Corporation alone would require six months or a year and the expenditure of some $500,000. B. C. Power, of course, is the major utility to be affected by the new legislation.

West Kootenay Power Company, subsidiary of Consolidated Mining & Smelting Company, is second on the list, and there are probably half a dozen others in various parts of the province.

Fuel Board Marks Time

Meanwhile the Coal and Petroleum Board is marking time until the B.C. court of appeal hands down judgment on the injunction granted by a lower court, against the board's order of a three cents per gallon price cut on gasoline. The appeal will be heard some time in January. The case will probably be taken ultimately to the Privy Council.

The board is temporarily leaving the coal industry alone, too, despite the third and final report of the Macdonald Commission. This declared the coal mines were at the mercy of the oil distributors, but held that the collieries had only themselves to blame for economic chaos if they failed to adopt more efficient methods of production and marketing.

Dunlop Earns Pref. Dividend

Declaration of Full 5% Taken to Indicate Better Earnings for 1938

Declaration of the second half-yearly dividend of 2½% on the preference shares of Dunlop Tire & Rubber Goods Co. is believed to indicate that earnings for 1938 are going to be sufficient to cover the full amount required to pay 5% on this stock this year. Officials of the company decline to forecast probable earnings, but with the year coming to a close there are several factors that have improved the company's position.

For one thing there should be no inventory write-down this year. In 1937 the year ended with crude rubber and raw cotton, the two principal raw materials, near the end of a sharp decline. This resulted in heavy inventory losses in last year's accounts.

After staying at quite low levels for most of the year, the recent trend of crude rubber prices has been upward and as a result it is believed that there is a possibility that in place of a loss there will be a profit.

Liquid Assets Improved

Then for all of 1938 the company has had the advantage of ample working capital as a result of the financing approved at the end of January.

This year, Dunlop has been enjoying a share of the original equipment business of General Motors of Canada which had previously been the exclusive field of Goodyear and Dominion Rubber.

In 1937 Dunlop Tire reported net profits of $35,456, equivalent to $1.08 a share on the present 5% preference. Annual dividends on this stock would require a little over $40,000, $1.25 a share on 32,947 shares. Thus only a comparatively small gain in profits is required to cover the dividend and it is expected that this has been achieved.

The latest declaration of 2½% on the $25 par value shares will be paid Dec. 31, to shareholders of record Dec. 15. The initial payment was made June 30.

Great Lakes Deal Is Now Complete

Hon. Earl Rowe, newly-elected president of Great Lakes Paper Co., has informed The Financial Post that a successful end has crowned efforts of the Ontario authorities and the rest of the newsprint industry to settle their differences with Great Lakes. The following statement has been obtained from Mr. Rowe:

"As president of Great Lakes Paper Co., I am pleased to announce an amicable arrangement has been arrived at between the newsprint industry and Great Lakes Paper Co. By several conferences recently held between the premiers, ministers of lands and forests of Ontario and Quebec, representatives of the newsprint industry and the president of Great Lakes Paper Co., certain misunderstandings have been clarified and a basis of closer co-operation re-established. While the company's unique position with reference to contractual obligations has been considered, a slight reduction in tonnage has been agreed to by the company in order to render justice to the claims of all concerned."

Highlights of the Week

Can more oil solve Alberta's marketing problem? With the coming in of the Home No. 2 well in the northwest corner of Turner Valley, this field's productive capacity is greatly increased and now permits oilmen to think of broader markets.

Turner Valley Facing New Era—p. 9.

* * *

For years the use of trawlers in the Maritime fishing industry has met with opposition. Agitation has been carried on for their abolition. Recently, however, the controversy has lost much of its bitterness. The situation is described in

Trawler Battle—p. 3.

* * *

Regarded as money in most countries, gold is also regarded as merchandise in Canada. Some confusion has arisen as to where it should appear in the trade reports when exported. Gold sold to foreign countries but held in Canada earmarked for special account causes discussion.

Gold is Where?—p. 16.

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Wheat Crisis Faces Canada In Near Future

Expressed Opinion at Bracken Conference Mostly Pessimistic

PROBE SOLUTION

By GORDON L. SMITH
Staff Writer, The Financial Post

If Canada faces a wheat crisis in the near future, at least the development will not be unexpected.

Speaker after speaker at the Bracken conference on markets at Winnipeg last week warned of what may be coming. Most of these were frankly pessimistic only a few were hopeful. A drastic reorganization of Canada's wheat growing machinery and a bitter fight for existing world wheat markets were envisaged.

Overproduction?

In an average year this country produces a crop of 350 million bushels. A decade or so ago we had no difficulty in selling this amount and more. Recently, as a result of unusually severe droughts average annual production has fallen far below 350 millions and prices until six months ago were recovering. Then this fall along comes the first moderate harvest since 1932, but according to the general opinion heard at the Winnipeg conference the end of the present crop year will probably see us with 150 million of unsold wheat on our hands, an increase in world carryover of probably 400 million bushels.

Market Picture Changes

Why this sudden change?

Up to 10 years ago Europe, especially Germany, Italy and Great Britain were large importers of wheat. Today the first two are making desperate, costly but otherwise successful efforts to grow their own. They are offering their domestic growers a fixed price of well over $2 per bushel, reluctant to take better Canadian wheat at 60 cents.

It is possible that total world carryover this season may equal a whole years normal import requirements. In other words, as one speaker pointed out with no enthusiasm, Canada, Argentina, Australia and United

(Continued on page 2, col. 6)

Higher Loans By Royal Bank

Deposits Stand at All Time High — Profits Practically Unchanged

From Our Own Correspondent

MONTREAL. — Substantial increases in loans and deposits feature the report of the Royal Bank of Canada for the year ended Nov. 30, 1938. Liquid position is strong, total liquid assets of $547.2 millions showing an increase over the previous year of approximately $30 millions. Gross assets were up $38.5 millions. Profits were practically unchanged at $3,696,233 against $3,711,379 in the previous year.

Comparative profit and loss figures for the last two years follow:

Year Ended November 30

	1938 $	1937 $
Profits	*3,696,233	*3,711,380
Dividends	2,800,000	2,800,000
	896,233	911,380
Pension fund	300,000	300,000
Bank premises	200,000	200,000
	396,233	411,380
Prev. balance	2,325,176	1,913,796
Carried forward	2,721,409	2,325,176

*After providing for Dominion and Provincial Government taxes and after making appropriations to Contingency Reserves out of which Reserves provision for all bad and doubtful debts has been made.

Current loans in Canada, including loans to municipalities and provincial governments, amounted to $218.2 millions an increase of almost $18 millions over the preceding 12 months.

Commercial loans in Canada contributed $198 millions to the total, reflecting an improving trend in business conditions. The expansion in total current loans follows up an increase under this head in the previous year of about $12.7 millions. Total increase in the two years amounts to over $30 millions.

Current loans outside Canada were up by a little less than $500,000. Call loans in Canada were down $6.4 millions and call loans outside Canada down $2.4 millions.

Total deposits at $790 millions are shown at a higher figure than in any previous annual balance sheet. The increase over the previous year was approximately $48 millions. Most of the increase was in non-interest-bearing deposits, which is attributable to

(Continued on page 2, col. 3)

Eldorado 3 Vein Result Best Yet

Largest and most valuable body of ore yet revealed has just been opened up at Eldorado Gold Mines Ltd. in the first news to reach the outer world since the freeze-up. Both in value and in tonnage, officials state the new development to be "the best yet."

This development comes from No. 3 vein. A raise has been put through from the 375 level to surface cutting the new ore body.

All production to date has been from the No. 2 vein. It was No. 1 vein which in March, 1938, gave two horizons with lengths of 130 feet showing some $8 millions worth of pitchblende ore.

Wheat Problem Calls For Leadership

Canada's major wheat-growing industry faces an acute sales problem. Finding markets for our wheat now overshadows the traditional problem of "marketing" methods and procedure.

Out of every three bushels of grain this country produces, two bushels must find an export outlet.

Ten years ago we found no difficulty in locating eager customers for our export surplus. Today, as a result of tariff barriers in Europe, heavily subsidized production there and elsewhere, we cannot find profitable markets. Grave doubts have been expressed as to whether a less than average crop can be marketed at prices which will maintain our western wheat economy on any reasonably permanent basis.

Yet one quarter of our total Canadian population are directly dependent upon the growing of wheat, another quarter are vitally concerned. Our elevator system, our railways, most of our lending companies, our huge milling and farm machinery industries have been developed on the basis of western wheat growing. Without wheat or a satisfactory substitute, one half of Canada faces bankruptcy; a main prop is gone from our vital export trade.

* * *

In 1936 a Royal Commission was appointed to investigate. Apparently because the current situation had changed by the time the report was ready, public interest waned, and little co-ordinated action followed. Mr. Justice Turgeon's recommendation that Canada should always offer wheat at the world's price, however, was heeded. This was an important step in the right direction. It has already done much to break down buyer hostility generated by Canada's former wheat-marketing attitude, expressed in the policies of the pools and the McFarland board.

But no broad, permanent sales-increasing policy has been adopted. The present bonus plan is admittedly a stop-gap, a palliative. It is one that may easily aggravate the situation by encouraging still larger and unprofitable acreage. Moreover, with an almost certain expenditure of at least $50 millions this year alone, it is something that we cannot afford.

True we have improved our marketing methods but we have had little success in reopening old markets. The recent trade agreement with United States will have only the most indirect benefit, because Americans are normally exporters, not importers of wheat.

* * *

Meanwhile a provincial premier has brought this national problem to the attention of all Canada. Last week, in Winnipeg, Hon. John Bracken performed this service.

But Mr. Bracken, even with the whole West behind him, cannot solve this problem alone. A national solution based on a national policy will be needed. Canada faces these questions:

1. Can we turn a portion of our present 30-million-acre wheat field into other lines of production—livestock, sugar beets, flax, etc., and if so can we find a satisfactory market for these substitutes?
2. Can we find suitable industrial uses for some of our wheat to take it out of food channels?
3. Can we reopen former European markets by new tariff agreements, which would admit manufactured or other goods in exchange for wheat or flour?
4. Can we increase our population by immigration to a point where domestic consumption of wheat would be more in line with our production output?
5. Can (or should) we make an international agreement with our competitors, Argentina, United States, Australia and Russia, to restrict world production in keeping with current import requirements?
6. If no international agreement is possible, can we expect to capture and hold permanently from our competitors a sufficient share of the world wheat market to ensure profitable employment of our present wheat acreage, and can our taxpayers, our lending companies and our farmers expect to finance such a campaign?

* * *

In the formation of any long range, enduring wheat policy for Canada these questions must be explored and answered. Solution will probably lie not in a single answer but a combination of all. A permanent policy must be developed with all factors taken into consideration.

Canada's wheat business is too vital to be treated on a "temporary emergency" basis. We must decide in which direction we are going and then hold steadily to that course.

This is a challenge to national leadership.

Trade, living costs, creditor-debtor relationships are involved. Of greater importance, the lives of those who for generations have depended for their existence on the growing and selling of wheat are at stake.

McKesson Case Poses Question for Investors

Revelations in the investigation of McKesson & Robbins, Inc., largest drug wholesaler in the United States, led this week to plans for a complete audit of the company's affairs. Until it is done the whole story will not be known, perhaps not even then.

For investors in both the United States and Canada the scandal brings up an important question: To what extent is the regular audit of McKesson & Robbins concerned in this case? Many investors are asking if their investments are sufficiently protected against fraudulent action.

Under modern accounting practice auditors say, they have to rely to a large extent on the honesty of responsible officials. When these officials forge or have prepared documents purporting to show that large assets exist, auditors find it difficult to detect the truth. When these assets are ostensibly bought from firms in another country and held in warehouses located in still another country, the difficulty becomes greater.

The deficiency of around $18 millions already revealed in the records of McKesson & Robbins is attributed mainly to the setting up as inventories in the records, drugs and other items that did not exist. These inventories were the result of purchases which, while they appeared in

(Continued on page 2, col. 3)

Dom. Foundries Pays Balance Of Serial Notes

Anticipates $400,000 Maturity and Eliminates Funded Debt

FINANCING RUMORED

Dominion Foundries & Steel has paid off the balance of $400,000 of its 4½% serial notes, The Financial Post is informed.

It is understood that $100,000 of these notes were paid in the early summer, well in advance of maturity, and the balance was taken up on Nov. 30, 1938, the regular date for a serial maturity.

Indications of this move were given earlier in The Financial Post. It was learned that by arrangement with the company's bankers who hold the 4½% serial notes, the company was able to redeem and cancel the $960,000 of 5% bonds which had been hypothecated as security for the note issue. The notes were dated Nov. 30, 1936, and matured in annual installments of $100,000 each on Nov. 30, 1937 to 1940, inclusive, and $200,000 on Nov. 30, 1941. Authorized and issued amount was originally $600,000 and the first installment of $100,000 was paid when due on Nov. 30, 1937. This left $500,000 outstanding at the end of 1937. Redemption of these notes will save the company $22,500 annually.

Redemption of the remaining $400,000 of serial notes leaves the company with no funded debt. Its capitalization consists of 12,000 6% preferred shares of $100 par value and 152,110 common shares. At the end of 1937 Dominion Foundries had 120,653 common shares outstanding. The increase during this year is due to the offering of stock to shareholders and employees at $15 a share. As a result, an additional 31,457 shares have been issued at $15 a share and the company has received $471,855 in additional working capital. At the end of 1937 the company had cash on hand of $297,364 as well.

Await Decision On Plant

Dominion Foundries & Steel has not yet come to a definite decision regarding the installation of additional equipment but plans are coming closer to completion. As forecast some time ago, the company has been considering a further enlargement of its tinplate producing facilities and it is believed that this matter is still on the way. The company has installed several changes in the equipment in the past year and officials inform The Financial Post that these installations have more than lived up to the expectations forecast for them. This includes the oil storage equipment for fuel oil now used in the company's furnaces, a water pumping system, service tunnel and larger handling equipment.

Rumors have been current from time to time that Dominion Foundries was considering a stock split and perhaps the issue of additional rights to shareholders. Nothing official can be obtained on this matter but it would seem reasonable that, if and when a decision is reached as to the amount and type of additional equipment to be installed, some financing plans would be announced. This might easily include subdividing of the present shares, say on a two for one basis.

New High For Profits

Profits for Dominion Foundries for 1938 are likely to reach a new high level. This follows on a record for sales and production. Some divisions of the company's business, such as the foundry department, have been less active but new lines have been added and the tinplate mill has operated slightly above rated capacity of 30,000 tons annually.

In 1937 the company earned net profits of $737,991. After deducting preferred dividend requirements of

(Continued on page 2, col. 8)

Public Waste — 5

Robbing the Post Office

One of the biggest jobs done by government is to write about itself.

It is doubtful if there was ever a government department, commission, bureau or organization that did not at some time or another use public funds to tell its story.

Most of them are so enthusiastic about this that almost immediately they set up a bureau of their own just to tell what the rest of the department is doing.

In the 1936 fiscal year, the Dominion Government alone manufactured between 7,000,000 and 8,000,000 pieces of literature at the taxpayers' expense. Out of every 100 pieces about 85 were distributed free. Of the remainder, ten were wasted either by being left on the shelves or because of obsolescence.

Only four out of every 100 were sold. Even those that were sold brought only the most nominal return representing in most cases only a fraction of the actual cost of preparation, publication and distribution.

* * *

Are taxpayers getting value for the printing dollars their Dominion Government spends?

Most decidedly not.

Twenty-two years ago a government committee probed this whole subject. It was appalled by

FREE
GOVERNMENT
LITERATURE
P.O.

the startling increase in printing costs; urged that some measure of adequate control was essential. Four years later something was done but it lasted a scant three years. Governments didn't like anyone exercising supervisory control over their printing costs and practices. In a few more years we were back to the old slipshod, uncontrolled ways of 1916.

Since that time two other important committees of high-ranking departmental officers have probed the same subject. Both have issued strong reports showing evidence of waste, of extravagance, inefficiency, etc.

For example, the most recent probe was in 1937.

It took a test mailing at the Ottawa post office. In one week there were 8¼ tons of publications mailed free of charge by government departments.

Assuming this to be an average week, the annual mailing cost to taxpayers would be about $65,000.

Such a practice, said the report, was a "negation of businesslike methods." It urged that each department be charged with postage on publications it distributed and that whenever such publications were sold, the postage costs be refunded from the proceeds of the sale.

The committee expressed the view that such a rule "would do more than any other single measure to induce all departments of their own volition, to practise a higher standard of economy both in the issue and distribution of publications."

This report has never been implemented. A similar and equally searching study in 1933 has been ignored.

Nothing has been done to place any proper administrative check on a branch of government that spends well over $500,000 annually.

MEN'S SHOP

Be Right
Go Formal!

If there is any doubt about dressing for the occasion, don't take any chances. Be right, go formal! You will be smartly and correctly attired if you get your clothes and accessories at the Men's Shop. Check your requirements here . . . outfit yourself for the coming social events at the Men's Shop.

"Huntingdon" Tail Suits—hand tailored to your measure, 2-piece suit 55.00
Other Dress Suits from .... 29.50 to 45.00
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Patent Leather Shoes.... 7.00
Wing Collars 35c
White Tie 75c
Dress Shirts — plain or pique front 3.00
Pique Waistcoats — single or double breasted 5.00
Dress Socks....... 65c to 2.00

FREE PARKING WHILE SHOPPING

MEN'S SHOP
BAY STREET SECTION

EATON'S - COLLEGE STREET

Chemical Research Suit Making Slow Progress

The patent suit filed by Gyro Process Co. and Chemical Research Corp. against Pure Oil Co., Texas Corp., Alco Products and Texas Co. is still continuing. The suit is being heard in the court at Detroit and has now proceeded for 13 weeks.

Witnesses who have been heard include C. R. Wagner, chief chemist for Pure Oil Co., Harold Emmons, former secretary of Chemical Research and Dr. Alexander Roumage. The latter is the inventor of the process of petroleum refining which is the subject of the law suit.

Shawinigan Increases Dividend

Directors of Shawinigan Water and Power Co. Limited have declared a dividend of 28 cents a share for the quarter ending Dec. 31, payable Feb. 15 to shareholders of record Jan. 25, 1939. This is an increase of three cents a share over recent quarterly dividends.

We extend a cordial invitation to one and all to view our wonderful display of Christmas plants, cut flowers and memorial wreaths, at popular prices, at both stores.

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National Bank Profits Gain

Total Deposits and Current Loans Are Also Higher

From Our Own Correspondent

MONTREAL.—A profit increase of $18,017 is reported by the Banque Canadienne Nationale for the year ended Nov. 30, 1938, as compared with the previous year. Total profits were $1,001,792, compared with $983,775.

Total deposits and current loans also were higher. The former were up $3.6 millions at $130.6 millions. Current loans and discounts at $48.7 millions were $3.3 millions over 1937.

Investments totalled $51.4 millions. Cash assets of $20,824,464 represent 15.14% of liabilities, and quick assets of $78,031,207 are 56.73% of liabilities.

Profit and Loss Account
Years Ended Nov. 30

	1938	1937
	$	$
Profits	1,001,792	983,775
Surplus prev. year ...	235,024	230,796
Less: Taxes	161,551	159,547
Pension fund	60,000	50,000
Dividends	560,000	560,000
Bank premises	90,000	85,000
Quebec treas.	125,000	125,000
Surplus fwd.	240,265	235,024

McKesson Case Poses Questions

(Continued from page 1)

the records and were supported by vouchers, which had been passed by directors, were made from mythical firms set up by certain directors.

Obviously this would not have happened if the auditors had made a physical check and inspection of these inventories. But this is costly proceeding. Few auditors are equipped to value such specialized items as drugs. To make this a regular part of an audit would make necessary much larger staffs and these staffs would have to include a number of specialists.

Ordinarily auditors check inventories by reference to the records of purchase of goods or corresponding sales. Inventory prices are checked as are the arithmetical accuracy of all calculations. Directors accept the responsibility for the existence of such inventories. The actual checking is done by the company's own staff and responsible officials furnish the auditors with a certificate covering the valuation of the inventories and indicating that they were checked under their supervision.

It has been suggested by a Canadian accountant that by making a physical check of inventories compulsory by law at certain intervals, perhaps every five years, a situation such as developed in McKesson & Robbins would be extremely unlikely to evolve.

Ordinary accounting practice requires that auditors should check receivables and payables as shown on the company's books. This is usually done when the auditors mail directly to those owing money to the company or to whom the company owes money letters requesting a verification of the amounts as shown by the company's books. These letters are returned directly to the auditor's office.

In the McKesson & Robbins case, such letters, if sent, by the auditors (Price, Waterhouse & Co.), would apparently go to addresses of fictitious firms, which were under the control of the officials involved. This would make it easy for false statements to be returned.

In the case of large firms it is not the usual practice for complete audits of every transaction to be made. The so-called balance sheet audit does not provide for this costly procedure. Most corporations have their own audit staffs to do this work of checking individual entries on the company's books.

Test checks of perhaps three months' entries covering operations, the period selected being taken at random, are ordinarily regarded by Canadian accountants as giving adequate protection. It is suggested by one authority that if such a check did not bring to light the deficiencies in the McKesson & Robbins case it is doubtful if a continuous audit would have been any more successful.

Higher Loans By Royal Bank

(Continued from page 1)

the easy money policy in vogue in both Canada and the United States.

Balance Sheet as at Nov. 30, 1938
Liabilities

	1938	1937
	$	$
Capital stock	35,000,000	35,000,000
Reserve fund	20,000,000	20,000,000
P. & L. balance	2,721,409	2,325,176
Uncl. dividends	16,832	15,378
Divds. pay.	700,000	700,000
Dom. Gov. dep.	1,446,610	6,637,546
Prov. Gov. dep.	9,001,231	10,191,871
Free dep.	356,526,649	305,179,752
Dep. bearing int. ..	422,500,482	420,402,616
Due Can. banks	278,077	1,082,825
Due For. banks	14,355,706	12,585,086
Notes in circ.	26,396,639	28,644,831
Bills pay.	46,627	414,706
Letters of cred.	18,532,002	26,055,370
Other liab.	542,445	292,953
Totals	908,064,711	869,538,112
Assets	1938	1937
	$	$
Coin on hand	4,687,206	3,893,309
Notes and dep. Bank of Can.	73,042,139	69,077,016
Notes Can. banks ..	1,273,186	1,407,589
For. currency	22,994,508	19,032,282
Cheques other banks	26,394,959	28,076,674
Due by Can. banks	4,002	2,669
Due by Foreign banks	71,891,265	47,149,388
Dom. & Prov. Govt. secs.	259,702,026	245,606,375
Mun. and other secs.	62,632,061	70,962,542
Call loans Can.	12,964,424	19,392,906
Call loans, For.	7,651,625	10,070,584
Curr. loans Can. ..	198,202,903	185,406,956
Loans to Prov. Govts.	1,159,796	4,590,098
Loans to cities, towns, munic. & school dist.	18,848,359	10,566,674
Curr. loans For. ...	101,629,915	101,147,198
Non curr. loans	2,704,227	2,988,429
Bank premises	14,756,029	14,995,187
Real estate	2,473,530	2,581,016
Mortgages	751,207	788,834
Letters of credit	18,532,002	26,055,370
Control. Coy.'s	3,787,881	3,805,482
Cir. fund dep.	1,475,000	1,550,000
Other assets	506,461	393,533
Totals	908,064,711	869,538,112

The Nation's Business

(Continued from page 1)

with seven sovereign Parliaments, each of practically equal status, embracing 13 houses, with more than 600 members and 70 ministers, with separate oversea representation and separate services.

"One central government could delegate its powers to small local bodies."

* * *

AS A result of this debate the Australian House has decided to hold a special session of Parliament to formulate amendments to the Constitution and to decide whether increased federal powers should be sought by a referendum of the electors or through transfer of powers to the Commonwealth by the States.

Announcement of this was "cheered on both sides of the House."

Mr. Hepburn is going to a country which has painfully learned in the past 10 years that a stronger central government is the only road to progress and prosperity.

This is precisely the solution which the Ontario Premier now opposes so bitterly in Canadian affairs.

* * *

Prompt Action Needed on Czech Immigrants

OVER a month ago Prime Minister King announced that Canada would have to do something for the Czech refugees. An official announcement was "expected shortly." If anything has been done in the meantime, no such announcement has been forthcoming.

Yet the matter is one of extreme urgency if Canada is to attract the best of these potential new citizens.

As indicated by special correspondence from Europe elsewhere in this issue, there are 5,000 agricultural families, or about 16000 people, in addition to thousands of small artisans capable of establishing new industries in Canada in the glass, porcelain, woodworking and textile fields.

These people must not be confused with refugees flying to escape the Jewish pogrom. True they are political exiles, but at the same time they are competent farmers and artisans—most of them Czechs, Slovaks or Ruthenians. Many of them have indicated a preference to come to Canada. Most of them could make a definite contribution to this country.

If Canada acts promptly it is suggested that, in addition to free transportation, which the Czech Government will provide, a share in the British rehabilitation loan might be available to assist them financially. Not all of them are destitute. It is believed that arrangements could be made to ensure that each family would have a minimum amount of money to start with.

Other countries are already looking over this situation. If Canada is serious about the matter the Government should act quickly and not dilly-dally until the best of these people have been given a new home by some other country.

* * *

The Jew and Citizenship

THAT Canada has its own anti-Semitic problem was recognized frankly this week by Rabbi Maurice N. Eisendrath in a sermon preached to his own congregation at Holy Blossom Temple, Toronto.

Mr. Eisendrath exhorted his congregation not to wait for some crisis or emergency but to recognize that Jewish life is incomplete in any community unless it carries out the Golden Rule "in tangible programmes of co-operation and fellowship."

Jewry has been insistent in preserving its minority rights, said the Rabbi, but it has often overlooked or ignored majority rights.

For example, in Sunday observance, Jews are jealous of their own rights of worship but too often fail to conform to regulations set up by the majority. The Rabbi especially urged his membership to refrain from conducting their business on Sunday.

As J. V. McAree remarked recently in his Globe and Mail column, anti-Semitism is not peculiar to Germany but in such cities as Toronto it is kept under the surface by the "decent instincts of the majority."

Respect for the rules and regulations whereby that majority conducts its business, social and community life is the most important contribution which the Jewish people can make to good citizenship.

Will Premier Hepburn Find What He Wants in Australia

When Premier Hepburn and his associates reach Australia on their expedition to study economic conditions there what will they find?

This is a question which many people are asking.

Most of them know that as a result of drastic economies and a conversion of debt to lower interest rates a few years ago the Commonwealth put itself in a fairly comfortable financial position. But their ideas are rather hazy as to the details.

For Provincial Rights

Premier Hepburn among other things has protested against the revenues from the wealthier provinces being diverted to help the less fortunate ones. He has been one of the strongest advocates of provincial rights and gave the cold shoulder to the Rowell Commission. His attitude was claimed to be one of the obstacles to the Loan Council Scheme suggested by Hon. Charles Dunning at Ottawa in 1935. He has been a strong advocate of monetary reform and has suggested general debt conversion.

Hon. Colin Campbell, Minister of Public Works in Mr. Hepburn's Government, is best known for his advocacy of a plan of monetary reform by which the Bank of Canada should buy additional gold from Canada's mines and use it as a base for credit extension.

Chester Walters, Controller of the Ontario Treasury, possibly has the soundest views on finance of the group.

How will the Australian situation appeal to them? Will it support Mr. Hepburn and Mr. Campbell in their views or will it cause them to change their mind?

Economic conditions in Australia in recent years have changed considerably. Formerly the price of wool was the main factor in her economy. Later wheat became important and in recent years the growth of secondary industry has again altered the situation, making the people to some extent less dependent on agriculture. Since 1907, efforts have been made to enforce a basic wage which rises and falls with the cost of living index.

The Commonwealth Bank

The Commonwealth Bank which itself will be one of the great objects of Mr. Hepburn's study and which plays an important part in the economy of the country, came into being in 1911. Its charter was revised in 1924 when the bank assumed the full functions of a central bank.

In various ways its functions are similar to those of the Bank of Canada. It probably has wider powers in regard to exchange, however.

The bank plays an important part too in the loans made through the Loan Council to the states. Loans to the provinces must be approved by the central bank before they will be passed by the Loan Council and in recent years there has been considerable blocking of expenditures which were considered unnecessary.

The Loan Council itself came into being in 1929 when the Commonwealth took over the existing debt of the individual states. Under the agreement, while the Commonwealth took over the existing debt of the individual states, the annual subsidy from the central government to the states was abolished and in return the Federal Government undertook to make a proportionate grant toward payment of interest on state debts.

The conditions which brought about the famous conversion scheme and the reorganization of Australia's affairs, while having their roots farther back, really came to a head in 1929 when the price of wool fell sharply. Later the world depression added to the trouble.

The Premiers' Plan

It was under these circumstances that the famous Premiers' Plan was evolved. Briefly it called for:

(1) A reduction of 20% in all adjustable Government expenditures, including wages, salaries and pensions paid by the Governments, whether fixed by statute or otherwise. It was arranged that these reductions should be equitably effected, and accordingly pensions were reduced only 12½%.

(2) A reduction of 22½% in the rate of interest on all internal debt.

(3) Increased taxation.

(4) Reduction of the rate of bank interest on deposits and advances.

(5) Relief in respect of mortgages.

Spread Loss Evenly

By these different measures it was attempted to spread the loss over the whole community as fairly as possible.

In regard to the conversion of debt which is one of Premier Hepburn's favorite themes, it is to be noted that the debt converted was entirely an internal affair. It was converted on a voluntary basis, some 97% being so converted and the remaining 3% or £17.5 millions being compulsorily converted later.

No attempt was made to interfere with the external debt and interest was paid on bonds held in London or New York in spite of a high premium prevailing.

State indebtedness was taken over by the Federal Government and became part of its debt.

Broulan Porcupine Gets Good Ore Zone in Shaft

A very encouraging ore zone in the shaft, with considerable free gold has been encountered in recent work at Broulan Porcupine, according to B. W. Lang, president.

"The vein now appears to be dipping south," Mr. Lang said. This would bring it back through the Broulan property. From diamond drilling it appeared that the vein was dipping north which would have taken it into Pamour ground at depth.

Can. Car Buys Lachine Plant

It is reported that Canadian Car & Foundry Co. has purchased the plant of the former Thomas Davidson Manufacturing Co. plant at Lachine, Que., for an unstated consideration.

The plant will be modernized and used as a unit in manufacturing parts for bomber planes on order from the British Government, and it is stated that the manufacturing facilities at the Fort William plant will not be disturbed.

It is reported that there will be no public financing in connection with the purchase.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Municipal—							
Valleyfield, P.Q.	Dec.	Bruno, Jeanotte	4%	1939-68	340,000	100.52	.....
Halifax, N.S.	Dec.	Laurence Smith & Co., Harrison & Co., Nova Scotia Bond	2½, 3, 3½%	1939-59	409,000	99.80	.....
Halton County, Ont.	Dec.	J. L. Graham & Co.	3%	1943	8,600	101.02	2.61%
Three Rivers, Que.	Dec.	L. G. Beaubien & Co.	4%	1939-51	1,193,300	98.90	.....
Dominion—							
Canada Treasury Bills	Dec.	....	....	Mar. 15, '39	25,000,000	99.834	.672%

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Wheat Crisis Faces Canada

(Continued from page 1)

States could stop growing for export for a full season and the world would get all the wheat it needed out of store.

There were a few opinions presented that ran contrary to this dreary general trend, but they were not common. Sanford Evans, champion of the open market and the law of supply and demand was emphatically optimistic.

"Only a little change in weather conditions resulted in largest world crop on record in 1938," he stated, "and only a little change in weather another year might have exactly the opposite effect."

A few other grain men and some practical agriculturists supported him, but mostly in the corridors and private room discussion, rather than on the conference floor. As Premier John Bracken correctly summed up in his radio address last Sunday evening, the general tone of the conference was not hopeful in regard to the present marketing situation.

Why a Conference

Mr. Bracken was frankly concerned with the situation developing and he had ample backing from private growers, pool officials, and most western agricultural economists. Mr. Bracken explained repeatedly that the conference had been called because of this growing concern in the West. Two main objectives were sought:

1. To lay before representatives of large financial and industrial interests the gravity of the situation and to prepare them for further prairie calls for aid.

2. To seek permanent solution for present wheat marketing problems and adopt a permanent wheat policy.

The bulk of the information presented at this conference indicated that aside from infrequent years of low world production such as occurred in 1936 and 1937, more wheat is being produced than can find a profitable market.

If this proves correct then recent aid to wheat growers and western provincial governments in the way of debt reductions, interest cuts, loans and subsidies may have to be continued until wheat growing is reorganized, reduced, and new uses found for wheat land thrown out of employment. Instead of an end of the western headache of the last few years the Bracken conference certainly gave one the impression that our worries may be only beginning.

Substitutes

True some constructive suggestions were offered along the lines of wheat substitutes, but this switching, it was emphasized, would take time and during the transition process the wheat grower would need help. Moreover, it was also emphasized that only a small portion of our present wheat land could be turned successfully to other lines. Perhaps a million and half acres might be devoted to flax, another million or so to the production of hog feed, some of the poorer land along the fringe turned back into cattle grazing.

All of this would still leave a very sizeable wheat field, able apparently to produce sufficient to meet present curtailed export requirements. Trimming off the marginal land, it was stated, would be a good thing for the quality of Canadian wheat. The best of this grain comes from the high, dry, fertile heavy land of the south-centre, the poorer, softer wheat from the north.

Might Flood East

Eastern agriculture was warned that if it were possible for the prairies to make a large scale switch from wheat to mixed farming, then present markets for meat and dairy products, sugar beets, livestock, eggs, etc. would soon be demoralized. To completely fill our present British bacon quota would take only the grain output of about a million acres. The same limitations governed all other lines of mixed farming.

Gradually and carefully, it was suggested, moderate substitution for wheat growing should take place but in the meantime growers would have to receive further help.

Gradually it was expected, too, we might hope to enlarge our exports of wheat to the smaller and less nationalistic countries of Europe, but this again would take time. As for getting back into the markets of the pre-depression large importers—Germany, Italy and France—most of the speakers were pessimistic, though there was in this case a strong minority opinion.

There was some criticism of the present wheat subsidy. Most agreed that this sort of thing could only be temporary, and before another year should be revised. A grower had to have wheat to benefit, it was pointed out, and the poorer his harvest the less help he received though his need was naturally increased. It was suggested that a fairer way to distribute help would be on the basis of an acreage bonus, a sort of government crop insurance.

Solutions

While no definite solutions were proposed at the conference, nor were expected, the general consensus of opinion favored a wheat policy which would embrace:

1. Constant pressure to open new markets for wheat and reopen old channels, through trade treaties.

2. Research to find new industrial and other uses for wheat, or crops that might be grown on present wheat lands.

3. Reduction in costs of wheat growing in Canada to permit most effective competition with United States, the Argentine and Australia with the objective of forcing these countries out of wheat growing to the extent of giving us our former larger share of world market. In such a fight success for Canada's superior wheat was predicted.

4. Financial aid from the Federal Government, lending companies and other creditors during the period of wheat growing reorganization.

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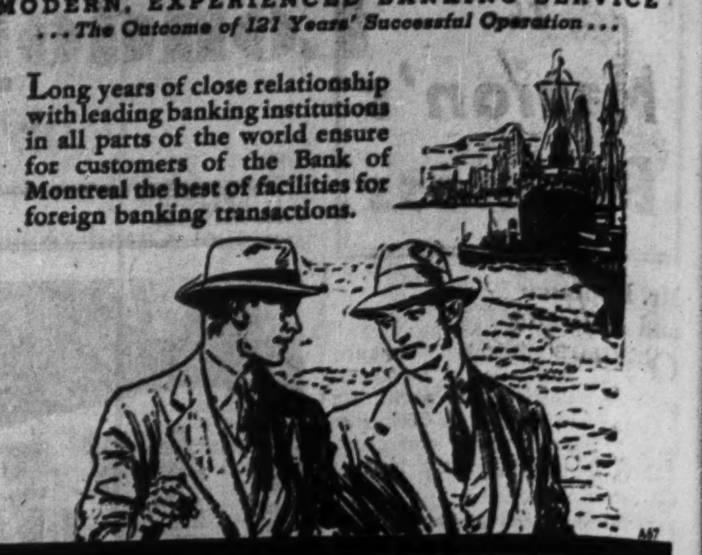

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Dom. Foundries Pays Off Notes

(Continued from page 1)

$72,000, there was left a balance equivalent to $5.52 a share on the 120,653 common shares then outstanding. Based on the present outstanding common stock of 152,110 shares, this would have equalled $4.38 a share.

Currently the company is paying regular dividends of $1.60 a share annually. The Financial Post has been informed, however, that per share earnings in 1938 may equal, or exceed, those of last year, even on the heavier capitalization outstanding.

ELECTED TO BELL BOARD

J. M. Macdonnell, general manager of the National Trust Co., has been elected to the board of directors of the Bell Telephone Co.

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London Calling

by Atticus

Mussolini's Son-in-law Fast Losing Popularity
Count Grandi Whispered as Coming Italian Star

LADY CHAMBERLAIN

LONDON.—In these notes I was discussing the forthcoming visit of King Carol and ventured the opinion that one of the problems which would certainly be agitating his mind was the immediate future of the imprisoned M. Codreanu, the leader of the Fascist Iron Guard.

"King Carol is now confronted with the collapse of Czecho-Slovakia," I wrote, "while holding in prison the Henlein of Roumania. Will Herr Hitler turn a blind eye to the plight of his Roumanian lieutenant? Or will he suggest that his release would smooth the path of conciliation between Berlin and Bucharest?

"King Carol knows that if Codreanu is released he would at once demand the right to form a Government. After that it is to be assumed that there would be a purge . . . However, King Carol is a Hohenzollern and kingship is in his blood. He has ridden many storms and will probably find a way of outlasting this one."

Shortly after those words appeared, I lunched with the Roumanian Minister and some of his compatriots when the opinion was expressed that I had misread the situation. The Iron Guard had been disbanded, Codreanu and his associate were in prison and Hitler would not be interested in the fate of an organization which, though pledged to support him, was no longer functioning. Frankly I was not impressed by the arguments nor did I believe that King Carol shared their optimism.

It will be readily understood, therefore that the news of the violent death of Codreanu and his principal colleagues interested me acutely, as I had discussed this man at some length with the King. The sequence of events is worth a moment's study. Coincident with King Carol's visit to London there was an attempted assassination by members of the Iron Guard against Professor Goanga the Rector of Cluj University. Professor Goanga was, incidentally, a leading opponent of this offshoot of Fascism. When King Carol reached Germany there was a spontaneous rising of members of the Iron Guard against the Jews. It may be that the mob was taking advantage of the King's absence to commit acts of violence, but the synchronization of the outrages with the King's movements would indicate that in this case spontaneity and organization went together.

* * *

Meeting With Hitler

It is said that King Carol had not intended to see Herr Hitler in Germany, but received an invitation from Berchtesgaden. That meeting was historic. On the one hand, a Hohenzollern King-Dictator came face to face with the man of humble origin who had raised a new and mighty Germany on the ashes left by the Hohenzollern dynasty. It would be nothing more than conjecture to suggest that the affairs of Codreanu and his Iron Guards were discussed. They may have been merely mentioned or ignored entirely. Yet I do not think so.

Whatever happened the curtain was about to rise on the last act. M. Codreanu and the other 13 Fascist leaders were being moved from one prison to another. There was a mysterious attempt at rescue and all 14 were killed by their guards, while trying to escape and were buried three hours later. The strict Roumanian censorship has allowed little news to come out. The whole affair is as mysterious as it is melodramatic. Of one thing I am morally certain. King Carol had no knowledge of any impending events in his country.

When the King left Roumania he entrusted the safety of his country to the hands of M. Armand Calinesco, the Home Secretary. It was M. Calinesco, who suppressed the Iron Guard last spring and earned by his efforts the title of "Man of Iron" — a distinction which he shares with M. Stalin. In addition to acting as Home Secretary, M. Calinesco is Minister of Education and is the creator of new administrative reform which is creating a Parliament by occupational representation. Like so many prominent Roumanians the Man of Steel sent his son to England to be educated. He has, in fact, a most sincere admiration for this country and would like to see his people model their life on ours. Rumors from Bucharest suggest that he will be the next Prime Minister.

M. Calinesco knows what he is facing. He has demanded the death penalty for the three would-be murderers of the Rector of Cluj University. He has ordered the soldiers to shoot all rioters. The whole thing is a most unhappy and tragic story. The Roumanians are not brutal people and until their Prime Minister M. Duca was shot three or four years ago political assassination was practically unknown. Unfortunately, the gospel of violence preached with sufficient emphasis seems to remove the civilized coating of the centuries and send men back to the days when mankind lived like ferocious beasts.

* * *

London and the Balkans

Most of the prophets were agreed that after Munich none of the smaller European countries would have anything to do with Britain, but would rush to Berlin with open arms urging the German Government to take their exports, to use their territory as a roadway to the East and, in case of war, to look upon their armies as German reserves. Somehow it has not exactly worked out that way. London is almost a Balkan capital today, so heavy is the traffic of diplomats, bankers and materialistic philosophers from the smaller European States.

What I like about these distinguished diplomats is the sensible way in which they mingle diplomacy and trade, an object lesson in fact to our own diplomatic corps who are inclined to forget that it is trade, and not love, which makes the world go round. Even when I dined at Lord Cavan's the other night with Colonel Levidis, who is the Master of Ceremonies to King George of Greece, he not only smoked cigarettes made of Greek tobacco but most wittily described to me the profound and profitable things which would accrue to civilization if the Briton would mingle even a tiny percentage of Greek tobacco with his Virginian supplies.

COUNT CIANO

* * *

Lady Chamberlain

Of all the emissaries who have reached us, however, I was most delighted to welcome back Lady Chamberlain, who came back a little time ago after visiting Libya and seeing Signor Balbo completing his preparations for the first army of new settlers from Italy. Lady Chamberlain is such a champion of better relations between Britain and the Italians that she is almost an unofficial Ambassadress, Signor Mussolini once said, no doubt in a moment of irritation, that Sir Austen Chamberlain was the only British statesman who ever treated him like a gentleman. When her husband died, Lady Chamberlain took on the task of keeping a friendly contact with Rome. So much has Signor Mussolini appreciated this that during a procession not long ago he saw Lady Chamberlain standing in an archway and left the procession to take her by both hands and welcome her to his country. Lady Chamberlain is an engrossing conversationalist. Her character sketches of her contemporaries are devastatingly accurate but never cruel. I have often thought how much better she would write these notes than Atticus, who finds it so difficult at times to do justice to the truth without inflicting undue pain upon the patient.

* * *

Assessment of Values

Before we leave these European musings I want to give you the summing up of an intelligent Italian who discussed the affairs of his country with the greatest frankness.

Signor Mussolini remains universally popular. The people feel that he is devoted to their interests and is doing his best.

Signor Balbo has been pretty well forgotten and is nothing like as significant a figure as he was in the days of his aerial triumph.

Count Ciano is losing popularity all the time. The army dislikes him and regards him as the tool of Germany.

Count Grandi is being whispered as the coming star in Italy's political heaven.

You can put what value you like upon that assessment of values. I cannot sustain them by any special information, but I merely pass them on to you for your consideration.

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Indus. Alcohol Reports Drop in Working Capital

From Our Own Correspondent

MONTREAL.—Current assets of Canadian Industrial Alcohol Co. at Nov. 30 amounted to about $2.9 millions and current liabilities to $960,000, Hon. Gordon Scott, told shareholders at the annual meeting here.

This information came out in answer to one of the many questions asked at the meeting by Major Ernest Beaupre, secretary of the group which opposed the offer of Hiram Walker-Gooderham & Worts for an exchange of stock in return for that of Canadian Industrial Alcohol.

This represents a substantial reduction in current assets since August 31, the end of the fiscal year as a result of redemption of debentures and payment of a dividend on the class A and B shares. At August 31 working capital amounted to slightly over $4 millions, current assets totalling $4.9 millions and current liabilities $864,949.

Only two tax claims are now outstanding against the company. One is a claim by the Dominion Government for $94,000 on whisky which disappeared some years ago. The other is last year's income tax, the maximum amount payable being $54,116.

In answer to a question the president stated the company's properties are inadequately insured.

H. C. Hatch, director, stated the affairs of the Robert McNish & Co., a subsidiary operating in Great Britain, were put in shape during the past year. The management has been revamped and Hiram Walker & Sons, Scotland, are supervising the affairs of the company.

As regards the McNish inventory, Mr. Hatch stated the higher priced items which had not been moving have been written down to market value. He estimated it would take three or four years to build up the company's inventory. Some years ago the management had become panicky and sold about one million gallons of spirits at ridiculous prices. It has now been forced to go into the market and buy it back at five times the price received.

He told shareholders the McNish Company should lose very little money, if any, during the next few years, while inventory was being built up. At the same time it could not be expected to make very much money during this period.

Mr. Scott stated earnings during the first two months of the current year were about $57,000, exclusive of the McNish subsidiary. Asked whether further dividends were possible he said: "we hope so."

Dr. Joseph Kaufmann was elected a director to fill the vacancy caused by the resignation of T. H. Gibbons. A representative of Hiram Walker-Gooderham & Worts, Mr. Gibbons resigned to provide a place for Dr. Kaufmann.

Gross sales in the 11 months ended August 31 totalled $2,587,000.

I. A. C. Class "B" Now Convertible

From Our Own Correspondent

MONTREAL.—Industrial Acceptance Corp. has declared an extra dividend of 12½ cents a share on its class A shares in addition to the regular quarterly dividends of 50 cents a share, payable Dec. 31 to shareholders of record Dec. 21.

This brings dividend payments on the class A shares to $2 a share for 1938, compared with $1.50 a share in 1937.

Conversion Rights

As a result of declaration of the dividend the conversion privilege of the class B shares becomes operative. Class B shares are convertible into class A stock on a share for share basis if, during any fiscal year, a distribution of $2 a share has been made on the class A shares and there remain accumulated and undistributed net earnings equal to $4 a share on the combined outstanding class A and B stock.

At the end of 1937 the earned surplus was $501,320 which is considerably in excess of $4 a share on the 60,548 class A shares and 25,000 class B shares.

The conversion will not become operative until some time after the end of the year. Before fixing a date after which class B shares will be convertible directors have to obtain a certificate from the auditors.

The company has never paid dividends on the class B shares.

Move to Annex Yellowknife To Be Fought By Northerners

From Our Own Correspondent

EDMONTON.—Alberta is planning to stake a claim on a vast northern empire of minerals, lakes and barren lands, with a demand for administrative title to a large slice of the North West Territories.

According to Premier Aberhart, the Alberta Cabinet has been considering northward expansion and will submit a plan to the Federal Government that Alberta's boundaries be extended along the 110 and 120 meridians to the Arctic Ocean. This would bring the Yellowknife gold field on Great Slave Lake and the silver, radium and copper deposits on Great Bear Lake within the province.

Residents of the Territories do not display enthusiasm for the idea. At Yellowknife the concensus is reported against the Alberta proposal, chiefly on the ground that it would likely mean more taxes and possibly more administrative difficulties.

Basis of the proposal, according to Premier Aberhart, is linked with the Social Credit Government's desire to pay off Alberta's public debt by development of resources.

The eyes of several provincial administrations have been on the North in the past, and there is plenty of opinion to say that the North West Territories will eventually be divided among the western provinces, as northern regions were added to Ontario and Quebec. But right now none are pressing claims because new territory would mean added costs of administration and development.

The Alberta proposal, it is expected, will be submitted formally to Ottawa and raised when the inter-provincial conference on Dominion-provincial relations is held, probably in 1939. A part of the scheme would be to obtain federal assistance in administration for a time.

That is what British Columbia wanted when the Pattullo Government in 1937 asked that Yukon be added to B. C, Yukon costs the Federal Government $250,000 a year to administer, and B. C. wanted $125,000 as a grant for five years on taking over the territory. But Yukon residents protested, and B. C. dropped the matter.

When Manitoba, Ontario and Quebec were extended northward, adjustments were made with British Columbia and the Maritime Provinces, and with this precedent observers in Alberta foresee a thorny controversy.

The entire population of the North West Territories is not much more than 10,000 persons, but with population growing, a factor that may upset all the dreams of the western governments is the growth of northern solidarity, and this likely means in the not distant future a demand for a tenth province.

Truce in Trawler War

Opposing Sides in Fishing Fight Now Seen as Comrades in Arms

From Our Own Correspondent

HALIFAX. — A skilful manoeuvre, directed, it is believed, by Dominion Government officials, has transformed the opposing armies in the Maritime trawler battle into comrades in arms—though not perhaps yet in each others arms.

The fishermen's union, United Maritime Fishermen is acting as the official agent for the trawler operators in an enterprise which, it is hoped, may do not a little to relieve distress along the southeastern section of the Nova Scotia coast.

The idea apparently had its germ in the agreement between the Dominion and Maritime-National Fish Ltd. last spring whereby trawlers were licensed on condition that from October to April the company would buy the entire catch of the inshore fishermen in this section at Halifax prices less transportation costs.

This immediately brought up the question of collecting and handling the fish for delivery to the company's plants. The Government is credited with the suggestion that the U. M. F. could do a cheaper and more efficient job than any organization that might be set up by the company. The expense is shared by the company and the Dominion and provincial governments.

Waiting For Spring

How far this arrangement has gone toward burying the hatchet in the trawler war is a question which is likely to remain unanswered until the spring at least. Winter, a time when the inshore catch is comparatively small, has always brought a lull in the battle. However, the perennial passage of the anti-trawler resolution at the recent convention of the United Maritime Fishermen produced little of the fervor which usually accompanies it.

Presence at the convention of Hon. J. E. Michaud, Minister of Fisheries, and his deputy minister, gave rise to a short-lived hope that some immediate action was contemplated by the Federal Government to tackle the fisheries problem. No hint of any such action was given by the Minister. Optimists, however, are still of the opinion that the Dominion Government cannot face a general election in the Maritimes without robbing the Opposition of some of the ammunition which the publicized plight of the fisheries has provided.

But for the present, at least, Ottawa seems to be putting its trust in God and the U. S. trade treaty. The marketed catch in Nova Scotia this year is likely to be nearer to the normal level than any year since 1930. The Government can take a measure of credit for this improvement. Its campaign of advertising on behalf of the fisheries, which cost some $150,000, helped to widen the Canadian market. The per capita consumption of fish in Canada has been boosted by about 50% in the last two years. Prices to the fishermen, however, are still too low.

The Trade Treaty

The new Canada-U. S. trade treaty which provides for some reduction in the U. S. duties may help. Actually, however, expectations here are that the new treaty will not be of great assistance. Fresh fish concerns do not think it will help materially. In the case of salt fish there may be a small increase in U. S. demand. Taking the long-term view the only effective solution lies in extension of fresh fish markets. Other remedies which have been suggested include:

(1) A government subsidy in the form of a minimum price for fish along the same lines as that followed in marketing the wheat crop.

(2) An export bonus to enable the Maritime fisherman to compete in the American market from which he has been virtually excluded by tariffs since 1921.

(3) Abolition of trawlers.

None of these proposals are desirable. The Dominion Government does not wish to extend the principle of a minimum price to other industries. Furthermore, it would be most difficult to devise a subsidy arrangement for fish. It would be almost impossible to set standard prices for the many forms in which the fisherman's catch comes to market. Then, again, fish is a perishable commodity and one which, even with careful handling and modern refrigeration, deteriorates hourly.

Price fixing and grading of wheat is child's play compared with what would be necessary to set a minimum price for fish. An export bonus would be of little use as far as the U. S. market is concerned. Washington has a system of contravailing duties which would offset the advantages.

The Trawlers

For years there has been active agitation in the Maritimes for abolition of the trawlers. Last spring when the licenses of the Maritime National Fish came up for renewal the opposition to the trawlers was particularly vociferous. All kinds of charges have been made against the trawlers. It has been suggested they have been robbing the fishermen of their livelihood and destroying the fishing grounds. Actually, most experts are convinced that the trawler is a necessity and many are of the opinion there should be more Canadian trawlers in operation.

As indicated above, the agitation against the trawler has died down recently. The opposition of the inshore fishermen is not as strong as many have been led to believe. In fact, it is recognized the flame of the trawler war has been fanned for political purposes. An attempt has been made to embarrass the Liberal administrations at Ottawa and in Nova Scotia with the trawler question.

There are only three Canadian trawlers operating at present, these being owned by the Maritime National Fish Co. by federal legislation they are restricted from fishing within 12 miles of shore. In addition there are 300 trawlers of British, American, Spanish and other foreign registry operating off the Nova Scotia coast. These vessels can and do fish up to the three-mile limit and would continue to do so if the Canadian trawler were taken out of the picture. Thus, even if the charge that the trawler destroys the fishing grounds could be substantiated it is obvious that the Canadian trawler has a very minor effect compared with those of other nations.

Without doubt there is justice to the claim that the trawler is necessary if there is to be a continuous supply of fish. By providing regularity of supply it has done much to build up the central Canadian market for fish. In fact, the Maritime National Fish in more than one instance has supplied other firms with fish when the inshore fishermen and schooners were not able to operate. The trawler fishes in all kinds of weather.

Markets

A good deal of the trouble with the fishing industry is loss of markets. For years the salt fish business has been at low ebb. At one time the Lunenburg schooner fleet was engaged exclusively in the salt fish business. With the decline in markets for salt fish, however, it also turned to the fresh fish business.

Many are convinced that the difficulties of the fishing industry are in part due to obsolete equipment and poor marketing. There is evidence to show that the higher cost of production of inshore and schooner fishing has contributed not a little to the loss of Canada's export markets.

From an admittedly biased source, the secretary of the New England Fisheries Association, comes the following statement:

"If Canada today with existing duty rates would modernize her fleet we could not operate our industry in New England because she would have fully a cent advantage operating the same type of boat (trawler) that we now operate and with which we catch 80% of our ground fish."

A recent estimate compiled by Maritime National Fish Ltd. indicated that Canadian trawlers produce less than 20% of the ground fish used in the Nova Scotia fresh fish trade.

Ottawa's Attitude

The Canadian Government is not losing sight of the plight of the fisherman. In addition to efforts to increase sales in Canada intensive campaigns have been conducted to recapture salt and fresh fish export markets. In the new trade treaty with U. S. it secured a reduction in that country's fish tariff.

Some $450,000 ($300,000 of federal money) has been distributed this year in 3% loans to Maritime fishermen to help in replacement of boats and equipment. Reports from Ottawa indicate an official attitude that this amount has taken care of all requirements. The Government is said to feel that unless markets are extended first, larger expenditures would be as useless as pouring water into the fishermen's nets.

Maritime fisherfolk, for their part, are watching the golden stream pouring from the federal treasury to the relief of the drought stricken West and are wondering whether they are not Canada's forgotten men.

Windsor Court Interest

Holders of the 6% first mortgage bonds of Windsor Court Apartments, Ltd., Windsor, Ont., on Jan. 3, 1939, will receive payment of coupon No. 15, which became due Dec. 1, 1934. Payment will be made upon presentation at any office of the Bank of Nova Scotia in Canada.

Last previous payment was made Sept. 1, 1938.

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from HALIFAX

to Plymouth, London

Jan. 1 ALAUNIA
Jan. 15 ASCANIA
Jan. 22 AUSONIA
Feb. 5 AURANIA
Feb. 19 AUSONIA

to Liverpool

Jan. 23 ‡ANTONIA
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The Connecting Link!

MURIEL Watson used to worry about Bob's frequent trips to the "raw edges of civilization" — to mining towns and construction camps where life was rough and comforts few. Now he telephones her—and the children—from each new location cheering them, and himself, in the process. After all, he muses, you're never out of civilization as long as you have the telephone.

Reductions in telephone rates—local and long distance—in 1935, '36 and '37 have effected savings to telephone users in Ontario and Quebec of nearly one million dollars yearly.

Investment Trends

Business Rise May Give Market Clues

Stocks Do Little in Past Week to Shake Off Lethargy While Business Index Continues to Make Good Gains

Clues to which direction the stock market is going to move in the immediate future were not appreciably clearer in the past week. It is true that there was a fairly sharp move upward that took the New York stock averages, at least, out of the range of narrow swings that had been marking the upper and lower limits for the past month.

But this move so far has not been able to hold all of its gains. The week ended with the Toronto Stock Exchange industrial stock index at 120.42 as compared with 123.81 a month ago and 125 two months ago. The Montreal industrial index has made about the same showing, while the Dow-Jones industrial index is at just about the same level as prevailed in the early part of October.

This is quite a period of unimportant changes. But the time element has been operating throughout the past two months. If it was true, as seemed the case even then, that the stock markets of two months ago had moved too far ahead of business activity, then that is hardly the relationship that prevails today. For business indices are now well above the levels of two months ago, although stock prices are not.

The Financial Post business index for November stands at 120.1, up from 115.7 for October, 112.6 for September and 109.2 for August. The D. B. S. investors' index on comparable dates, however, has been as follows: Dec. 15, 107.7; Nov. 30, 107.4; Oct. 31, 110.6; Sept. 30, 104.2; Aug. 31, 103.0. It might be more strictly comparable to take monthly average indices for stocks, but these figures illustrate the trend well enough.

Now the question is whether the stock market is forecasting a decline in business or business hints at substantially higher stock prices before long. It might be too much to expect business activity to continue to climb at the rate of the past three months, particularly with the year-end inventory period at hand, but no serious threat seems imminent.

Perhaps investors have not lost sight of such external but exceedingly important factors as threatened disturbances in Europe, foreign exchange fluctuations and the normal period of the holiday spirit.

* * *

Not Gambling

The Supreme Court of Canada has just handed down a decision holding that trading in grain futures on margin on the Winnipeg Grain Exchange is neither gaming nor wagering. The ruling was made as a result of an attempt by the Prudential Exchange Co., Lang, Sask., to collect $9,000 on promissory notes given by a customer, Sherman Edwards, in return for advances on his grain futures account. The original trial judge and the Saskatchewan Court of Appeals had ruled that the plaintiff could not collect.

The customer had disclaimed liability on the ground that the money had been loaned to him to aid in gaming or wagering in grain futures, contrary to Section 231 of the Criminal Code.

* * *

Enforcible Legal Obligation

In his judgment, Chief Justice Sir Lyman Duff pointed out that "Edwards in every instance incurred an enforcible legal obligation to carry out the sale or purchase, an obligation which he must perform by actual payment or delivery or satisfy or transfer by entering into another equally binding and enforcible contract."

Justice H. H. Davis drew a parallel with stock exchange transactions when he commented: "If a customer who deals on a recognized stock exchange could, every time he loses heavily by the stock going the opposite way from that which he expected, turn around and say that he never intended to have any real transactions in the stock of companies but was merely gambling in breach of the Criminal Code, it would be impossible to carry on the business of a well-regulated public stock exchange which renders its own peculiar public service."

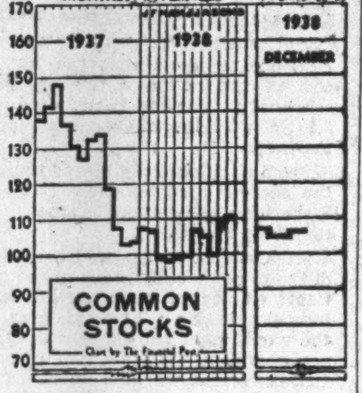
* * *

An Optimistic Opinion

City & Dominion Co., general distributors for Corporate Investors Ltd., Toronto investment trust, has the following to say regarding the outlook for business and investments in 1939.

"It is the opinion of this organization that there will be material improvement in Canadian and United States business in 1939. This opinion is confirmed by Canadian and British sources, and by the many United States authorities whom we have consulted during recent weeks. One of the most significant considerations in the present outlook is the almost complete reversal of psychology which is apparent in discussions with executives of banks, manufacturing companies, investment trusts and research organizations in the larger eastern cities. Most of these men, who last spring saw little prospect of any worth-while improvement, either in the business or in the markets, now take recovery for granted. This general change in sentiment is, of itself, a factor of tremendous importance in shaping the future course of business.

"Uncertain factors still exist, particularly in international and political fields. It is, therefore, unwise to project our estimates too far into the future. Probably six to nine months is sufficient for the present. Nevertheless, the weight of favorable factors is such that we may reasonably expect the forces of recovery to gather momentum during this period and further extend the upward movement."



Investment Notes

Zellers—Prospects are the company will earn $1 a share on the common stock this year, depending upon the outcome of the Christmas trade. Sales to date are down slightly from last year, but still well above the average for variety chain stores.

* * *

B. A. Oil—Shares have not so far this year been able to break through the $22 a share level. Performance of the stock hints at selling pressure around this level.

* * *

Consumers' Gas — After breaking from the high of slightly under $200 a share earlier this year, this stock has been unable to penetrate above $180 a share where substantial selling pressure seems to develop.

* * *

Industrial Acceptance — Interests close to the company anticipate that 1939 will be another big year. The dealer contacts made by the company in the last few years are now bearing results and a further expansion in business is anticipated over the next 12 months.

* * *

National Steel Car — Balance sheet as at Nov. 30, 1938, included in the letter to shareholders announcing the financing plans, shows earned surplus of $1.8 million, a gain of $674,054 from that reported as at June 30, 1938. As depreciation reserves are up $47,500 and a tax reserve of $152,080 is also shown in the balance sheet, this change in surplus gives a good indication of earnings in the five months ended Nov. 30. On this basis and allowing for a dividend of 50 cents paid in the period, total net profits must have been equal to around $5.68 a share for five months. In the year ended June 30, 1938, net was equivalent to $9.28 a share.

* * *

Famous Players—The Dec. 15 installment of Famous Players Canadian Corp. comprising an option on 11,000 shares at $14 a share to N. L. Nathanson has been extended to Jan. 15, 1939, and the price reduced to $13.65 a share.

E. B. Eddy Co. Extends Capital Improvements

From Our Own Correspondent

MONTREAL.—Further plant improvements have been carried out by the E. B. Eddy Co. at its plant at Hull during the past year. The first improvement was the erection of a 50-ton bleachery in conjunction with a wet machine and pulp storage building. The second improvement was the installation of a 10-inch steam line with a 4-inch condensation return line, some 4,300 feet long, running between what are known as the upper and lower mills of the company.

Aluminium Ltd. Deposits Funds for Redemption

From Our Own Correspondent

MONTREAL. — Aluminium Ltd. announces that it has deposited with the Union Trust Co. of Pittsburgh, trustee, funds for the redemption of $3 millions principal amount of its 5% sinking fund debenture gold bonds, which have been called for redemption on Jan. 1, 1939.

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ELECTED DIRECTOR

R. D. Harkness, vice-president and general manager of Northern Electric Co., who has been elected a director.

Seeks Reduction In Dividend Rate

Highland Dairy Shareholders to Consider Plan on Dec. 28

A special meeting of the shareholders of Highland Dairy Ltd. has been called for Dec. 28 to consider reducing cumulative dividend rate on the preference shares from 7% to 5% from Dec. 31, 1938. It will also consider empowering the company to purchase its preference shares at a price not exceeding redemption price of $110 and unpaid dividends.

In a letter to shareholders F. F. Appleton, president, states that the company will be able in the visible future to pay off arrears of preferred dividends, amounting to $7 a share and should be able to maintain the reduced rate of 5%.

The amendments must be approved by a vote of two thirds of the outstanding preference and common shares.

There are 1,540 preference shares of no par value outstanding, and 19,534 no par value common shares.

Czech Families Eyes on Canada

(Continued from page 1)

plan is being considered carefully by the Department of Immigration. It is understood that tentative proposals call for admitting some 5,000 refugees a year or a total of 25,000 in the five years. A large portion of these would be Jews. Others would be Czechs. One scheme which is receiving special attention is the establishment of a glass working industry in Canada manned by skilled Czech artisans.

At an earlier stage it was hoped that public opinion throughout Canada could be brought behind such plans. The Government actually did facilitate the admittance of eight Sudeten families last month.

Conservative Leader Manion has committed his party unreservedly to oppose immigration of Jewish refugees while labor bodies have also expressed their opposition. J. S. Woodsworth, C.C.F. leader is ready to give his support to the admittance of a reasonable number of refugees.

It is expected that when Parliament meets the Government will present plans for doing—to quote Mr. King's own words of a month ago—"something for the refugees" but original proposals, it is believed, may be considerably modified.

Market Opinions

Lack of decisive action on stock markets gives market students little on which to base pointed advice in the past week.

Fitch Investors Service, New York—"The market during the past week turned from an appraisal of the slackening of business recovery at the moment, and toward the prospects for early 1939. In logical expression of this attitude, the aircraft manufacturing and building supply issues were favored. As 1939 view clarifies in favorable outline, an extension of market strength may be expected. Retension of positions is recommended."

* * *

Magazine of Wall Street, New York—"As we see it, time has been working on behalf of a generally sound market position, with stock prices much more closely geared to the realities of existing business volume and corporate earnings than was the case five months ago. That fact is more pertinent in deciding present policy as to new long holds and intermediate term trading purchases than the prevailing day-to-day speculative technicalities. We believe this is a sound time to make such purchases, regardless of the possibility of a further moderate dip before the month is out. We specifically caution against delay in making purchases in the event the market rising above 151 Dow-Jones in a fast move on increasing volume. We advise those who wish to play it close to the chest to commit at least a fairly large percentage of available funds now."

* * *

The Annalist, New York—"Certain features of the market decline, however, have raised the question as to whether something more significant than a minor technical correction is involved. The November decline occurred during a period of very active business and in the face of favorable election news. Stock prices might easily have held to support point of mid-October but instead actually broke through.

"Against these considerations, however, it must be noted the fact that trading was light throughout the decline. It is also true that there was no evidence of serious weakness in important individual stocks, such as sometimes develops during a period when technical conditions are deteriorating markedly.

"The market ability to rally during the past week and the fact that a number of leading stocks have been able to rise to the highest level since the fourth week in November, are regarded as favorable developments. If the reaction which began in November has now ended, the technical position of the market cannot be seriously unfavorable."

* * *

Robert Rhea—"I have defined a 'buying spot' in a bull market as a place where, after a reaction, stocks may be purchased safely with the reservation that such action may entail taking a quick loss in the event that bearish signs develop. On stocks bought now, with the idea of abandoning them with but negligible loss if the development explained (breaking of the reaction lows of 146.14 and 28.85 for the Dow-Jones industrial and rail averages respectively) should occur, might show a big profit later— but would show only a small loss if the downtrend is resumed and 146.14 and 28.85 are jointly broken on the downside."

Queen's Hotel Ltd. Plan Is Proposed

Senator Raymond Offers Guarantee of New Bond Charges

From Our Own Correspondent

MONTREAL.—Senator Donat Raymond has tentatively agreed to guarantee charges on a new issue of bonds of Queen's Hotel Ltd., to replace those presently in default.

At a meeting of the bondholders, it was proposed to refund the existing 6% first mortgage bonds with a new 5% issue. This would carry the personal guarantee of Senator Raymond as to interest payments for three years. The proposal was accepted by the Senator, who is president of the company.

Will Pay Interest

Interest due November 1 last, which was deferred, will be paid by Senator Raymond, the meeting was informed. The Senator requested a provision in the refunding plan, permitting him to retire the bonds at par after a period of five years. The new bonds will mature in 15 years, dating from Nov. 1 last, according to the plan for which acceptance is now sought.

Senator Raymond indicated his willingness to issue quarterly statements on operations, to the bondholders generally. A protective committee for the bondholders was appointed at the meeting, consisting of R. H. Dean, of Nesbitt, Thomson Co., Montreal; G. W. Mitchell, Ottawa; Col. E. G. Hanson, of Hanson Bros., Montreal; and George Belleau, Quebec City.

Inter. Paper Must Pay $113,894 to Three Rivers

From Our Own Correspondent

MONTREAL. — Judgment of the Supreme Court of Canada on an appeal of the City of Three Rivers in a taxation case against the Canadian International Paper Co. renders the company liable to the city for $113,984 in taxes.

B. C. Telephone To Offer Bonds

Pitfield Buys Over $1 Million of 5% Series "A" Bonds

From Our Own Correspondent

MONTREAL.—W. C. Pitfield & Co., Montreal investment firm, is expected to make an offering in the near future of $1,120,000 of 4½% first mortgage bonds of British Columbia Telephone Co. The issue will be used to replace money spent for cancellation purchase of 5% series A bonds.

British Columbia Telephone Co. now has $2,042,500 of 5% series A bonds outstanding, a reduction of $1,132,000 since the end of 1937. At the end of 1935 there were $10 millions of series A bonds outstanding, but over $6.6 millions of these bonds were converted into 4½% series B bonds in 1936. The series A bonds are payable in Canadian, U. S. or sterling funds while the series B bonds are payable in Canadian funds only.

The new bonds will likely be offered at 106½, to yield over 4.05%.

Farm Loan Funds Almost Exhausted

From Our Own Correspondent

MONTREAL.—Up to Dec. 10 the Quebec Farm Loan Bureau had authorized 11,344 loans involving a total amount of $26,379,481. This means that the $27 millions voted by the Quebec Legislature is practically exhausted and that additional money will have to be voted at the next session if further loans are to be made.

DOMINION FIRE DIVIDEND

Directors of the Dominion Fire Insurance Company have declared the regular half-yearly dividend of 3% and a bonus of 2% making a total disbursement of 5% for the first half of the year payable January 3 to shareholders of record Dec. 31.

NEW ISSUE December, 1938

City of Trois Rivières

$1,193,500

4% Serial Bonds dated November 1, 1938

$443,500 due November 1, 1939 to 1951
(non-callable)

$360,000 due May 1, 1939 to 1950
(non-callable)

$390,000 due May 1, 1951
(callable)

The bonds will bear the certificate of legality issued on behalf of the Minister of Municipal Affairs, Trade and Commerce.

Legal opinion: Honorable C. P. Beaubien, K.C.

LEGAL INVESTMENT FOR TRUSTEE FUNDS IN THE PROVINCE OF QUEBEC AND FOR FUNDS OF INSURANCE COMPANIES REGISTERED UNDER THE CANADIAN AND BRITISH INSURANCE COMPANIES' ACT, 1932.

Details concerning the purpose and terms of the present issue and financial statistics will be found in the prospectus which is available upon request.

PRICE

1939-1950 maturities: 101 and accrued interest
1951 maturity: 100 and accrued interest

It is expected that definitive bonds will be ready for delivery on or about January 18, 1939.
We offer these bonds if, as and when issued, and accepted by us, and subject to the approval of Counsel.

L. G. BEAUBIEN & CO., LIMITED
34 Adelaide Street West
TORONTO
Montreal Quebec Trois-Rivières Ottawa Brussels Paris

Inter. Paints Profits Hold

Net Profit Sufficient to Cover Part of Preferred Arrears

From Our Own Correspondent

MONTREAL.—Earnings of International Paints (Canada) Ltd., for the year ended September 30 last, were on a slightly lower basis than for the preceding 12 months. Gross income amounted to $170,837, as against $182,423 in the 1937 fiscal year. After providing for all senior charges, net profit totalled $52,500, or practically the same as in the previous year.

Net profits were sufficient to provide for the year's dividend of 5%, or $1 a share, and, in addition, another 1¼%, or 25 cents a share, on account of arrears, making a total distribution of $1.25 a share on the preferred. This was the same as in the previous year.

Show Same Surplus

Comparative figures on the profit and loss statement follow:

Income and Surplus Account
Years Ended Sept. 30

	1938	1937
	$	$
Oper. profit	169,809	180,534
Other income	1,028	1,889
Total revenue	170,837	182,423
Bond int., etc.	7,525	8,448
Directors' fees	2,650	2,533
Exec. salaries	24,495	23,958
Legal fees	412	752
Balance	135,755	146,873
Depreciation	35,085	34,610
Balance	100,671	112,122
Income tax	18,630	20,619
To gen. reserve	10,067	11,212
Balance	71,974	80,291
Res. for bond amort.	19,474	27,790
Balance	52,500	52,501
Previous surplus	65,164	55,515
Total	117,664	108,016
Adjustments	603	360
Pref. dividends	†52,490	‡41,991
Org. exp. w/o	......	500
Earn. surp. balance	64,571	65,164

†Paid Dec. 21, 1937.
‡Paid Dec. 21, 1936.

Working Capital

	—September 30— 1938	1937
	$	$
Current assets	643,228	657,983
Current liabilities	81,921	96,044
Net working capital	561,307	561,939

Reduction in Debt

Consolidated balance sheet shows current assets at $643,288, and current liabilities at $81,921, indicating net working capital of $561,307. This contrasts with $561,939 a year ago.

Changes among the assets are relatively small and unimportant. Among the liabilities the bonded debt was reduced during the year from $136,267 to $107,067.

In his report to the shareholders, Frank M. Ross, president, stated; "During the year under review, first mortgage 10-year 5½% sterling bonds amounting to £6,000 have been redeemed and a mortgage of $6,000 on the property of Stewart and Wood Ltd., Toronto, has been paid off, making a total reduction of $35,200 in mortgage indebtedness. With a view to possible future expansion, a property has been acquired consisting of three vacant lots on Park Ave., adjacent to your present plant (Montreal), at a cost of $8,148. Machinery and equipment, including a new boiler, has been purchased at a net cost of $13,449, making a total capital expenditure for the year of $21,597."

Forest Hill, Ontario
3½% Instalment Debentures
Due November 1st, 1944–58
Denominations: $1,000, $500 and odd amounts.
Prices: To yield from 3.15% to 3.40%

Forest Hill is an attractive residential community adjoining the City of Toronto on the north-west. While in effect a part of Toronto, it has retained its identity as a separate municipality.

Forest Hill has experienced continuous growth in recent years with the result that there has been a substantial reduction in the per capita debt of the municipality.

Descriptive circular including financial statement forwarded upon request.

Wood, Gundy & Company
Limited
Toronto Winnipeg
Montreal Ottawa Vancouver
London, Eng. Hamilton London, Ont.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's 95
1929-37:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1938:												
Jan.	109.6	18.9	87.2	194.9	64.3	158.7	116.1	138.4	64.4	84.3	48.7	107.7
Feb.	109.3	17.5	88.9	195.2	64.8	159.9	115.0	131.4	63.1	81.8	46.8	107.1
Mar.	100.7	14.6	76.5	181.2	60.3	152.0	101.3	116.0	58.2	80.5	43.1	99.2
Apr.	103.2	15.4	75.6	172.0	55.0	151.5	106.0	119.4	59.7	80.4	43.7	97.9
May	107.2	15.7	85.8	177.2	54.5	153.6	107.5	122.5	61.0	80.9	44.5	99.7
June	111.8	18.6	84.8	170.0	54.1	156.2	109.2	129.8	61.2	81.0	45.1	100.0
July	129.2	23.1	88.6	177.6	59.4	167.9	120.5	142.6	66.4	84.9	48.6	106.9
Aug.	130.1	21.0	88.3	176.7	59.0	168.5	122.1	139.3	64.3	85.0	47.1	105.2
Sept.	120.6	17.5	78.4	165.0	54.3	162.2	108.8	121.2	57.8	83.4	42.7	98.6
Oct.	139.8	22.8	85.8	182.1	58.5	170.1	133.3	139.5	64.0	86.0	46.9	109.7
Nov.	141.5	21.6	84.9	184.5	59.0	170.2	143.3	141.5	62.3	85.6	46.2	110.4
Weekly Figures, 1938:												
Dec. 1	132.9	19.6	80.4	183.2	56.8	169.6	138.8	135.2	61.0	84.5	44.9	107.5
Dec. 8	135.1	19.6	80.3	176.2	57.5	169.5	139.0	137.3	60.2	83.7	44.4	106.3
Dec. 15	134.5	19.5	81.4	176.6	56.6	169.1	136.2	139.6	60.0	83.8	44.1	106.8

*High and low for years from 1929 to 1937 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Dec. 20	120.42	121.73	97.42	37.03
Dec. 19	121.83	122.78	98.05	37.99
Dec. 17	121.54	122.45	98.38	40.36
Dec. 16	121.91	122.58	99.00	34.96
Dec. 15	122.96	122.81	99.67	34.29
Dec. 14	122.32	122.27	100.42	35.21
Month ago	123.81	119.45	98.72	28.92
Year ago	124.51	118.55	76.46	52.61
High, 1938	131.11	127.19	105.56	50.85
Low, 1938	97.66	101.86	64.47	25.77

Montreal Stock Exchange Averages

	10 Util.	20 Indus.	30 Comb'd	15 Golds
Dec. 20	63.7	81.9	75.8	122.22
Dec. 19	64.4	82.6	76.6	122.42
Dec. 17	64.4	82.4	76.4	122.30
Dec. 16	64.2	83.2	76.8	121.99
Dec. 15	65.7	83.9	77.8	122.90
Dec. 14	65.6	83.3	77.4	122.24
Month ago	65.6	82.6	76.9	121.36
Year ago	67.9	77.8	74.5	117.80
High, 1938	69.3	88.8	81.9	130.77
Low, 1938	57.6	61.1	60.5	103.06

THE ROYAL BANK OF CANADA

General Statement, 30th November, 1938

LIABILITIES

Capital stock paid up		$ 35,000,000.00
Reserve fund	$ 20,000,000.00	
Balance of profits carried forward as per Profit and Loss Account	2,721,409.82	
	$ 22,721,409.82	
Dividends unclaimed	16,831.66	
Dividend No. 205 (at 8% per annum), payable 1st December, 1938	700,000.00	23,438,241.48
		$ 58,438,241.48
Deposits by and balances due to Dominion Government	$ 1,446,609.61	
Deposits by and balances due to Provincial Governments	9,001,230.56	
Deposits by the public not bearing interest	356,526,649.64	
Deposits by the public bearing interest, including interest accrued to date of statement	422,500,481.66	
Deposits by and balances due to other chartered banks in Canada	278,077.25	
Deposits by and balances due to banks and banking correspondents in the United Kingdom and foreign countries	14,355,708.25	804,108,756.97
Notes of the bank in circulation		26,396,638.74
Bills payable		46,627.40
Acceptances and letters of credit outstanding		18,532,001.88
Liabilities to the public not included under the foregoing heads		542,445.14
		$908,064,711.61

ASSETS

Gold held in Canada	$ 12,979.71	
Subsidiary coin held in Canada	1,314,935.16	
Gold held elsewhere	323,479.96	
Subsidiary coin held elsewhere	3,035,810.57	
Notes of Bank of Canada	12,093,077.75	
Deposits with Bank of Canada	60,949,061.65	
Notes of other chartered banks	1,273,185.91	
Government and bank notes other than Canadian	22,994,508.22	$101,997,038.93
Cheques on other banks	$ 26,394,958.81	
Deposits with and balances due by other chartered banks in Canada	4,002.09	
Due by banks and banking correspondents elsewhere than in Canada	71,891,264.92	98,290,225.82
Dominion and Provincial Government direct and guaranteed securities maturing within two years, not exceeding market value		106,368,311.03
Other Dominion and Provincial Government direct and guaranteed securities, not exceeding market value		153,333,715.19
Canadian municipal securities, not exceeding market value		7,687,405.60
Public securities other than Canadian, not exceeding market value		20,924,704.31
Other bonds, debentures and stocks, not exceeding market value		34,019,951.18
Call and short (not exceeding 30 days) loans in Canada on bonds, debentures, stocks and other securities of a sufficient marketable value to cover		12,964,423.50
Call and short (not exceeding 30 days) loans elsewhere than in Canada on bonds, debentures, stocks and other securities of a sufficient marketable value to cover		7,651,625.32
		$543,237,400.88
Current loans and discounts in Canada, not otherwise included, estimated loss provided for	$198,202,903.27	
Loans to Provincial Governments	1,159,796.12	
Loans to cities, towns, municipalities and school districts	18,848,358.65	
Current loans and discounts elsewhere than in Canada, not otherwise included, estimated loss provided for	101,629,915.30	
Non-Current loans, estimated loss provided for	2,704,226.83	322,545,200.17
Bank premises, at not more than cost, less amounts written off		14,756,029.06
Real estate other than bank premises		2,473,530.44
Mortgages on real estate sold by the bank		751,206.68
Liabilities of customers under acceptances and letters of credit as per contra		18,532,001.88
Shares of and loans to controlled companies		3,787,881.34
Deposit with the Minister of Finance for the security of note circulation		1,475,000.00
Other assets not included under the foregoing heads		506,461.16
		$908,064,711.61

NOTE:—The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris, and the assets and liabilities of The Royal Bank of Canada (France) are included in the above General Statement.

M. W. WILSON,
President and Managing Director.

S. G. DOBSON,
General Manager.

AUDITORS' REPORT

TO THE SHAREHOLDERS, THE ROYAL BANK OF CANADA:

We have examined the above Statement of Liabilities and Assets as at 30th November, 1938, with the books and accounts of The Royal Bank of Canada at Head Office and with the certified returns from the branches. We have checked the cash and the securities representing the Bank's investments held at the Head Office at the close of the fiscal year, and at various dates during the year have also checked the cash and investment securities at several of the important branches.

We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank, which have come under our notice, have been within the powers of the Bank. The above statement is in our opinion properly drawn up so as to disclose the true condition of the Bank as at 30th November, 1938, and it is as shown by the books of the Bank.

M. OGDEN HASKELL, C.A.,
of Haskell, Elderkin & Company
JAS. G. ROSS, C.A.,
of P. S. Ross & Sons
} Auditors

Montreal, Canada, December 20, 1938.

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 30th November, 1937	$ 2,325,176.14	
Profits for the year ended 30th November, 1938, after providing for Dominion and Provincial Government taxes amounting to $1,201,765.36 and after making appropriations to Contingency Reserves, out of which Reserves provision for all bad and doubtful debts has been made	3,696,233.68	$ 6,021,409.82
APPROPRIATED AS FOLLOWS:		
Dividend No. 202 at 8% per annum	$ 700,000.00	
Dividend No. 203 at 8% per annum	700,000.00	
Dividend No. 204 at 8% per annum	700,000.00	
Dividend No. 205 at 8% per annum	700,000.00	
	$ 2,800,000.00	
Contribution to the Pension Fund Society	300,000.00	
Appropriation for Bank Premises	200,000.00	
Balance of Profit and Loss carried forward	2,721,409.82	$ 6,021,409.82

M. W. WILSON,
President and Managing Director.
S. G. DOBSON,
General Manager.
Montreal, December 20, 1938.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad., $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads. payable in advance.

Exceptional Opportunity

WELL ESTABLISHED BUSINESS HAS opportunity for Electrical Engineer to benefit from extensive expansion programme contemplated to include assembly and manufacture of nationally known lines. Investment required. Box No. 60, The Financial Post, Toronto.

Agency Wanted

A LARGE general agency insurance firm operating in Manitoba, Saskatchewan, Alberta and British Columbia, are desirous of securing a company to write all classes of insurance, including life. Already have an established life business. Apply to Box No. 64, The Financial Post, Toronto, Ont.

Agency Wanted

MANUFACTURERS' AGENT, AN OLD established Company in good financial standing wants good commission line for Maritime Provinces. Write Box No. 65, The Financial Post, 481 University Avenue, Toronto.

Municipal Finances

Calgary, Alta.—With a payment of $187,318, the city's waterworks capital loan has been reduced to $1 million. The city now has paid off $1 million on the loan during the year. Current financial position of the city is said to have been greatly improved over the corresponding period of last year. On Nov. 18, 1937, the city was indebted to its school board, the sinking fund board and the Bank of Montreal to an amount of $672,787. At this time the indebtedness, according to treasury figures, aggregates $386,772, an improvement of $286,015. Taking into consideration the $1 million reduction in capital loans this represented a total improvement of $1.3 million during the current year. For the first 10 months of 1937, 67.66% of collectible taxes had been paid. During the same period this year, 71.06% of collectible taxes have been received.

* * *

Quebec—Figures covering the operations of the Quebec Municipal Commission since its creation in 1932 to Dec. 1, 1938, as released by L. E. Potvin, chairman, show that out of a total of $14.7 millions of debentures affected by the default of 90 municipalities, $10.5 millions have been consolidated, while $2.1 millions are being consolidated, leaving to be consolidated a total of $2.1 millions.

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113

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Bond Markets

Predicts Strong Market For Government Bonds

Investment Officer Sees Interest Rates One Year Hence at Present Levels—Canada a Haven For Foreign Funds

The Canadian high-grade bond market is in the main removed from many of the considerations that normally chart the course of corporation bonds. Factors that determine its course are more dependent upon international developments and controlled manipulations of money rates by governments.

Therefore the two fields might be classed as two distinct studies.

In the previous week's bond column the conclusions of a financial writer on corporation bonds, delivered before a gathering of financial authorities, was reviewed.

Upon the same occasion an investment officer from a large financial institution outlined the outlook for high-grade obligations.

With full allowance for indeterminable occurrences—the whims of Herr Hitler and Signor Mussolini—this authority predicts that Canadian high-grade bond prices will rise in the first half of the year, but their general tendency will be to decline in the latter half. On this basis, it is predicted that in one year's time prices will be on the same level as now, or possibly slightly higher.

* * *

Market Technically Strong

In drawing these conclusions, the speaker pointed to the present technical strength of the high-grade market and the large supply of funds seeking investment in restricted media, such as the deposits of life insurance companies and banks. Obligations that qualify for investment by institutions, he said, have become fewer in the last 10 years. Refunding operations have converted more government borrowing to domestic issues, dismissing quite largely the possibility of substantial selling of Canadian securities by London and New York.

Canadian money markets are closely geared to those of the U. S. and Great Britain, and there the governments have found it expedient to keep interest rates in distinct limits. Canadian interest rates have shown a tendency to march along with these two leaders.

Finally and important in this analyst's opinion is the tendency of foreign investors to send funds to the Dominion for a safe haven. This swells the amount of money awaiting investment and consequently depresses bond yields.

* * *

Alberta Refunding

The report that the Dominion Government has promised Premier William Aberhart assistance in working out a refunding programme for Alberta's funded debt can be discounted. It is not likely the Dominion's commitment, if any, is anything more than an assurance it will not place any obstacle's in Alberta's way.

The possibilities of Alberta being able to work out a refunding programme for its debt in the near future are not favorable. Investors are not likely to take kindly to any refunding programme sponsored by the Aberhart Government. Furthermore, one cannot imagine any financial interests underwriting a refunding issue.

Actions and legislation of the Alberta Government have destroyed rather than improved public confidence. If and when there is evidence that the Alberta Government has had a change of heart, investors will be willing to listen to proposals for refunding the Government's debt.

It is useless for Alberta to consider a refunding programme until the Royal Commission on Dominion-Provincial Relations has made its report. Refinancing of the debts of the western provinces is one of the matters under consideration by the Commission. Furthermore, its report may result in an adjustment of Dominion-provincial relations which will improve Alberta's position.

At present Alberta is in default on principal payments totalling over $10 millions. A further $3.5 millions falls due in January which the province will not be able to meet.

* * *

Provincial Maturities

Provincial Government bond maturities in 1939 amount to more than $53 millions, but this amount will not be refunded.

Alberta has maturities totalling $4.5 millions which it will not be able to meet. This will bring the amount of principal past due to about $15 millions.

British Columbia has maturities totalling $8.8 millions. At least part of this will be met from sinking fund which holds a substantial amount of the maturing obligations. As for the remainder, it is probable the province will try to negotiate a refunding loan.

Manitoba has $2.2 millions bonds falling due and these will be paid off from the sinking fund. Saskatchewan has a $3 millions maturity which it is not in a position to meet. However, some arrangement will probably be made.

Only the central and eastern provinces have free entry to the bond market for refunding issues. Ontario has maturities totalling $24.4 millions, Quebec $10 millions, New Brunswick $1.5 million, Nova Scotia $8.6 millions and Prince Edward Island $472,000. Each of these provinces will also be in the market during 1939 for new money.

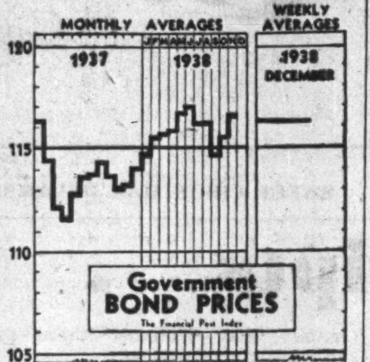
* * *

Bond Index

Trading was dull on Canadian bond markets during the week, with prices of high-grade issues slipping slightly.

Average Price and Yield for Seven High-Grade Government Bonds

1938	Price $	Yield %	1937	Price $	Yield %
Dec. 20	115.95	2.833	Dec. 20	114.24	3.177
Dec. 19	116.00	2.826	Dec. 18	114.19	3.183
Dec. 17	116.00	2.826	Dec. 17	114.05	3.199
Dec. 16	116.00	2.826	Dec. 16	114.01	3.204
Dec. 15	116.21	2.804	Dec. 15	113.89	3.220
Dec. 14	116.39	2.791	Dec. 14	113.91	3.218
Year's Range	117.21 111.86	2.737 3.380	Year's Range	117.91 111.50	2.966 3.597



Approve Plan Of United Fuel

65,871 Shares Vote for Scheme and 1,540 Against

Plans to reorganize United Fuel Investments Ltd. were approved by preferred shareholders at a special meeting on December 16.

There were 65,871 shares voted for the plan, 780 of which were conditionally voted, and 1,540 were against the plan, 10 shares of which were conditionally voted and subject to further verification. In percentages, 73.19% of the total shares outstanding were in favor of the plan and 1.71% against.

Union Gas Co., which owns 99% of the common shares outstanding of United Fuel, had previously approved the plan.

The plan will now go to the courts for approval.

Exchange Arrangement

Holders of the present 6% preferred, of $100 par value, will receive by the arrangement: One 6% class A share, of $50 par value, and one non-cumulative class B share, of $25 par value, and a dividend of $2 a share. Dividends on the class A will accrue from Sept. 1, 1938. Arrears amounting to $37.50 a share at Oct. 1, 1938, will be eliminated.

The gas distributing system of Dominion Natural Gas Co., operating in the Hamilton area, will be acquired by United Gas in consideration of one half the holdings of the common shares of United Fuel Investments and $1 million of 5% second mortgage bonds of United Gas & Fuel Co. A payment of $180,000 will be made to Union Gas Co.

Both Dominion Natural Gas and Union Gas will place the common shares in a voting trust. Holders of the present common stock will receive 9/10 of new common for each old common share.

Bond Sales

Halifax, N.S.

Halifax has awarded $409,000 of 2½%, 3% and 3½% serial debentures to Laurence Smith & Co., Harrison & Co. and Nova Scotia Bond Corp. at 99.80. The debentures are dated Jan. 2, 1939 and maturing through to Jan. 2, 1959. Proceeds will be used for school purposes, paving, sidewalks, street widening, water system and relief purposes.

There are $104,000 of 2½% bonds due 1940-45; $99,000 of 3% bonds due 1945-49, and $206,000 of 3½% bonds due 1950-59.

Bids received were:

Laurence Smith & Co. Harris & Co. Nova Scotia Bond Corp.	99.89
Bank of Nova Scotia W. C. Pitfield & Co. Dom. Securities Corp.	99.57
Imperial Bank Nesbitt, Thomson & Co. J. C. Mackintosh & Co.	99.377
McTaggart, Hannaford Hanson Bros. Inc.	99.29
Mead & Co. Johnson & Ward F. J. Brennan & Co.	99.187
Royal Bank of Canada Eastern Securities Corp. Wood, Gundy & Co.	99.03
Bank of Montreal A. E. Ames & Co. T. M. Bell & Co.	98.78
Bell, Gouinlock & Co. Mills, Spence & Co. Cornell, MacGillivray Ltd.	98.606
Dyment, Anderson & Co. Midland Securities Corp. Fairclough & Co. Cochran, Murray & Co.	97.915
MacLeod, Young, Weir & Co.	96.543
Gairdner & Co. R. A. Daly & Co. Fry & Co.	95.05

Valleyfield, Que.

The City of Valleyfield, Que., has sold an issue of $40,000 of 4% serial bonds due 1939-68 to Jeanotte Bruno Ltd., Montreal investment dealers, at a price of 100.52. Four other bids as follows were received: L. G. Beaubien & Co. and Banque Canadienne Nationale, 100.06; Credit Anglo-Francais Ltd., 100.02; Savard, Hodgson & Co., 99.57; Rene T. Leclerc Inc., 99.53.

Treasury Bills

A price of 99.83449 was accepted by the Bank of Canada on $25 millions of treasury bills, dated Dec. 15 and maturing Mar. 15. Yield of 0.672% on the bills marks the fifth consecutive decline in yield on the bills since Sept. 30.

On the previous $25 millions issue dated Dec. 1 the price was 99.83385 and the yield 0.675%. Amount of treasury bills outstanding remains the same at $155 millions.

Drops N.Y. Trading

Moore Corp. will no longer retain unlisted trading privileges on the New York Curb Exchange when the merger with F. N. Burt Co. is completed.

Canadian Car Earnings Rise

Results in Aircraft Division Offset Decline in Other Departments

From Our Own Correspondent

MONTREAL. — Earnings of Canadian Car and Foundry Co. increased slightly in the year ended Sept. 30 last. Net profit was equivalent to $4.15 a share on the preferred compared with $4.01 a share in the previous year. Earnings on the common were equivalent to $1.86 a share as against $1.75 a share in 1936-37.

Satisfactory results in the company's aircraft division were responsible for the slightly better showing. The volume of car orders received was substantially less than in the previous year. As a result earnings from the company's car shops, as well as from its steel, malleable and wheel foundries and spring shops, were adversely affected.

Aircraft Division

Little information is given in the report as regards the company's aircraft division. It states, however, that the company's operations arising out of its participation in Canadian Associated Aircraft Ltd., which has an order from the British Government, will be confined to Montreal. No reference is made in the report to the separate order from the British Government obtained for the company's Fort William plant. The report is dated Nov. 29 which is earlier than the announcement of the order.

Operations of Canadian General Transit Co., which is controlled by Canadian Car, continued to expand satisfactorily. This company builds, sells and leases tank cars.

Assets Increase

The balance sheet shows an increase of $584,639 in the value of real estate, buildings and machinery before depreciation. Value of fixed assets is $18.3 millions against which there is a depreciation reserve of $1.4 millions.

Investments in and advances to partly-owned subsidiary company increased from $288,930 to $371,430. A new item is an investment of $75,000 in Burnelli Aircraft Ltd.

Working capital shows an increase of $92,000.

Income and Surplus Account
Years Ended Sept. 30

	1938 $	1937 $
Oper. profit	1,967,694	1,917,007
Add: Dividends rec'd.	28,893	28,893
Int. on investment	2,424	1,186
Profit on invests.	1,229	13,093
Net income	2,000,240	1,960,179
Less: Directors' fees	9,972	11,538
Officers' salaries	92,725	86,831
Legal expenses	4,462	6,821
Depreciation†	440,767	430,576
Income taxes	275,000	290,000
Net profit	1,117,314	1,134,413
Less: Pref. divds.	*637,009	......
Surplus for year	540,305	1,134,413
Add: Prev. surplus	3,001,972	1,867,559
Balance forward	3,542,277	3,001,972

*Includes 50 cent payment on arrears of dividends. †Includes $193,722 depreciation on property written off in 1937-38 and $87,061 in 1936-37.

Working Capital

	1938 $	1937 $
Current assets	5,522,841	4,816,934
Current liabilities	2,648,597	2,034,918
Working capital	2,874,244	2,782,016
Shares Outstanding		
Preferred, par $25	283,115 sh.	283,115 sh.
Common, n.p.v.	365,800 sh.	365,800 sh.

Quebec to Revise Taxation System

Many Changes Expected as a Result of Taxation Commission Report

From Our Own Correspondent

MONTREAL.—Revision of Quebec's taxation system is expected to occupy a prominent place in the next session of the Quebec Legislature.

For almost a year now the Montpetit Taxation Commission has been studying the provincial and municipal taxation system in this province. It has already made a preliminary memorandum to the Government containing general considerations arising out of its study.

Separate reports are to be made by the commission on various subjects to enable the Government to take early action in regard to some of the recommendations.

Legislation is also expected simplifying the administrative organization of the cities and towns. At present many municipalities operate under a special charter but it is possible all cities and towns will be brought under the provision of the Cities and Towns Act.

Marcus Loew's Announces Plan to Eliminate Arrears

Shareholders of Marcus Loew's Theatres, Ltd. were told at the annual meeting by F. M. Kimbark, vice-president, that the directors had recommended that on Mar. 31, 1939, the quarterly dividend be paid plus one half of the arrears on the preferred stock, amounting to $19.25 a share.

If business continues on the same level as at present, Mr. Kimbark announced plans to pay the quarterly dividend of $1.75 a share plus an additional $1.75 until all the arrears are paid. At this rate it would take approximately three years to clear up the arrears, which total $38.50 a share.

After payment of the regular dividends of $1.75 plus $1.75 a share on arrears at Dec. 15, 1938, the company had approximately $400,000 in cash. If business were maintained at present levels, Mr. Kimbark stated that the company could pay off the balance of arrears in this manner and maintain a cash balance of around $300,000.

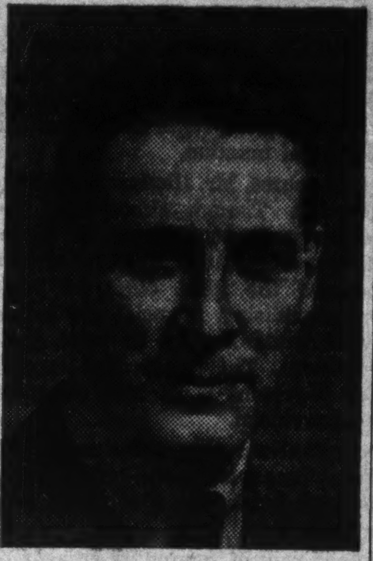
Intercolonial Coal Declares $2 Extra

From Our Own Correspondent

MONTREAL. — Along with the semi-annual dividend of $3 a share directors of Intercolonial Coal Co. have declared an extra of $2 a share on the company's common stock. Both declarations are payable Jan. 2 to shareholders of record Dec. 21.

This brings total payments for the year to $8 a share, the same as in 1937.

For the seventh successive year Intercolonial Coal will pay its employees a Christmas bonus. A total of $12,500 will be divided among 550 employees, an average of about $24 each.



HEADS NEW AGENCY

Dexter Schnebly, manager of the newly formed advertising agency of Kenyon and Eckhardt, of Montreal.

Board Authorizes Refunding Issues

Ottawa Valley Power Co. Will Reduce Amount of Bonds

From Our Own Correspondent

MONTREAL.—The Ottawa Valley Power Co. has been authorized by the Quebec Electricity Board to refund its outstanding first mortgage bonds and second mortgage bonds.

Refunding issues approved consist of $7.5 millions of 4% first mortgage bonds, due 1964 and $2.5 millions of 5% second mortgage debentures due 1959.

Securities to be replaced are $8,956,500 of 5½% first mortgage bonds due 1970 and $1,450,000 of 6% second mortgage 40-year debentures.

Thus, the total amount of mortgage indebtedness is to be reduced by $400,000. The amount of first mortgage bonds is to be reduced by $1,456,000 and the amount of second mortgage debentures increased by $1,050,000. Furthermore, the term of both issues is to be shortened.

Redemption Provisions

The first mortgage bonds are redeemable at 104. The 40-year debentures are to be redeemed either through call, in accordance with the terms of the issue, or through purchase on terms to be negotiated with the present holders. Such terms are subject to the approval of the Quebec Electricity Board. The majority of the debentures are held by the parent company, the Calgary Power Company.

Approval of the company's refunding application by the Quebec Electricity Board does not necessarily mean that refinancing will be undertaken immediately.

To Reconsider Loblaw Plan

Meeting Adjourned to Feb. 3 When Reorganization Blocked

A committee of three has been appointed by shareholders of Loblaw Groceterias Inc. to study further the present reorganization plan.

At the Buffalo meeting of Dec. 14 the Canadian organization produced enough proxies to block the plan, which it has opposed from the outset. At Apr. 30, 1938, there were 31,851 shares of $7 preferred stock, of no par value, outstanding, and 63,036 shares of common. Loblaw Groceterias Co., Ltd. held 2,841 shares of preferred and 28,600 shares of common.

Shareholders will meet again on Feb. 3.

Appointed to the committee were: F. E. Robson and William Holford, of Toronto, and E. H. Letchworth, Buffalo, N.Y.

International Petroleum November Production Up

Daily average crude oil production of International Petroleum Co. took a jump in November to 98,070 compared with 96,163 in October, 1938, but was still below the daily average of 98,883 barrels for November, 1937.

November production from Peru was 1,096,679 barrels against 1,112,430 barrels in October of this year and 1,181,673 barrels in November a year ago. From Colombia the company produced 1,845,420 barrels in the latest month which compares with 1,868,631 barrels in the preceding month and 1,784,810 barrels in November, 1937. Production from Colombia in recent months has been gaining but decreases have been shown in Peru.

For the first five months of the current year, total crude production and daily average has been as follows:

Monthly Crude Oil Production

	Total bbls. 1938	Daily Aver. bbls. 1938	Daily Aver. bbls. 1937
July	2,918,189	94,135	94,419
August	2,963,806	95,607	90,498
September	2,851,708	95,057	93,325
October	2,981,061	96,163	97,882
November	2,942,099	98,070	98,883
	14,656,863	95,816	95,001

Exchange Situation Causes Brazilian Dividend Action

Brazilian Traction, Light & Power Co. has announced that no action will be taken in regard to dividends on the ordinary shares of the company at the present time.

After varying payments for three years, exchange restrictions again prohibit any disbursements to shareholders.

The official announcement explains, "The board of directors of Brazilian Traction, Light and Power Co., Ltd., regret that no dividend action with respect to the ordinary shares of the company can be taken at this time because of the cessation for many months past of remittances from Brazil."

Less favorable trade conditions in the current year than in 1937 have caused the present exchange situation.

Elected to Executive Committee

E. L. Parent, general manager of the Capital Trust Corp. has been elected a member of the executive committee of the Dominion Mortgage and Investment Association of Canada.

Seagram Net On Lower Basis

Returns for Past Quarter Reflect Drop in Sales Volume

From Our Own Correspondent

MONTREAL. — Distillers Corp.-Seagrams reports net profit of $1,458,254 for the quarter ended Oct. 31, compared with $2,369,967 for the same period a year ago. After deduction of preferred dividends, this was equal to 71 cents a share on the outstanding common, compared with $1.25 a share in the 1937 period and 67 cents in the preceding quarter.

Sales, less freight and allowances, during the last quarter, totalled $19,999,017. This contrasts with sales of $23,302,528 for the three months ended Oct. 31, 1937. Expenses generally were higher. Depreciation provided during the period amounted to $273,520 against $219,570. Interest charges, on the other hand, were lower, indicating a decline in bank loans.

Comparative consolidated statement of profit and loss and earned surplus for the three months ended Oct. 31, 1938, with comparative figures for 1937, follow:

Consol. Income and Surplus Account
Three Months Ended Oct. 31

	1938 $	1937 $
Sales, net	19,999,017	23,302,528
Less: Cost of sales	13,630,982	16,524,128
Operating profit	6,368,035	6,778,400
Add: Misc. income	37,467	26,559
Total revenue	6,405,502	6,804,960
Less: Gen. exp.	4,025,449	3,504,167
Directors' fees	250	250
Executive salaries	88,903	84,276
Legal fees	53,558	46,973
Interest (net)	105,669	118,688
Depreciation*	51,713	26,482
Loss on invest.	......	60,000
Cap. asset loss	43,297	......
Tax provision	578,409	594,155
Net profit	1,458,254	2,369,967
Less: Pref. divd.	206,750	187,500
Common divd.	871,322	......
Surplus for period	378,182	2,182,467
Add: Prev. surplus	26,561,389	22,639,743
Less: Pref. retire. approp.	535,500	......
Surplus forward	26,404,071	24,822,211
*Total depreciation	273,520	219,570
Chgd. to production	221,808	193,088
Chgd. as above	51,712	26,482

Canada Bread to Pay Arrears on B Shares

An extra dividend of 37½ cents a share has been declared on account of arrears on the class B 5% preference stock of $50 par value, of Canada Bread Co., to be paid along with the regular quarterly dividend of 62½ cents a share on Jan. 3, 1939, to shareholders of record Dec. 21.

After this payment arrears on the class B will amount to $1.50 a share.

The regular quarterly dividend of $1.25 a share on the first preference stock of $100 par value will also be paid on the same date.

For Christmas

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Fleet Aircraft Listed On Toronto Exchange

Stock of Fleet Aircraft Ltd. was listed on the Toronto Stock Exchange on Dec. 15. Ticker abbreviation will be FLT.

The listing covers the full capitalization of the company, 100,000 no par value shares of which 90,000 are outstanding. The 10,000 unissued shares have been set aside for directors and employees of the company and 7,200 are optioned so far.

The company estimates sales for 1938 at $950,000 from 130 aircraft. This compares with 1937 sales of $613,114 from 63 aircraft, $399,478 in 1936 from 29 aircraft and $265,153 in 1935 from 66 aircraft.

Increase in capital from 100,000 to 200,000 shares was approved by shareholders on Dec. 19 at a special meeting in Toronto. It is expected that details of financing will be ready in a week or so.

Clarke Steamship Co. Purchases C. N. Liner

From Our Own Correspondent

MONTREAL.—Clarke Steamship Co. has purchased the passenger liner North Star from the Canadian National Steamships.

The North Star, originally the Prince Henry, was built for the Canadian National Steamships for service on the Pacific Coast. For the past two years it has been under charter to the Clarke Steamship Co. which has operated it as a cruise ship to Newfoundland in the summer months. In the winter it runs a weekly service between Miami, Haiti, Jamaica and Cuba.

ENSIGN INS. DIVIDEND

A dividend of $1.50 per share has been declared on the paid-up capital stock of the Ensign Insurance Company for the half year, payable Jan. 3 to shareholders of record Dec. 31.

International Paints (Canada) Limited

and Subsidiary Companies

Annual Report of Board of Directors for Year Ended September 30th, 1938

TO THE SHAREHOLDERS:

Your Directors beg to submit herewith the Tenth Annual Report of the business and affairs of the Company for the fiscal year ended September 30th, 1938, together with Financial Statements certified by your Auditors, Messrs. Price, Waterhouse & Co.

Your Directors deeply regret to record the death of their valued and esteemed colleague, Major-General J. W. Stewart, C.B., C.M.G., who has been President of the Company since its inception.

After deducting $35,083.75 for Depreciation, the operations for the year show a profit of $100,671.59 as compared with $112,122.04 last year. Ten per cent of this amount has been transferred to General Reserve as required by the By-laws, and after allowing for income and profits taxes and transferring $19,473.99 to a reserve for amortization of the Company's bonds, which mature in 1943, there is a balance of $52,500, which your Directors have determined as being the net earnings for the year available for the payment of dividends on the new preferred shares, in accordance with the terms of the Compromise or Arrangement between the company and its shareholders approved by you on March 16, 1936; these net earnings being sufficient to provide for the regular dividend at the rate of 5% per annum for the year ended September 30th last and for an additional dividend of 1¼% (25c per share) on account of arrears. Such dividends were accordingly declared on November 30th, 1938, payable on December 21st to shareholders of record at the close of business on December 9th.

During the year under review First Mortgage Ten Year 5½% Sterling Bonds amounting to £6,000 ($29,200.00) have been redeemed, and a mortgage of $6,000.00 on the property of Stewart & Wood Limited in Toronto has been paid off, making a total reduction of $35,200.00 in mortgage indebtedness. With a view to possible future expansion, a property has been acquired consisting of three vacant lots on Park Avenue, adjacent to your present Plant, at a cost of $8,148.05. Machinery and equipment, including a new boiler, has been purchased at a net cost of $13,449.81, making a total capital expenditure for the year of $21,597.86.

All inventories have been priced on the basis of cost or market, whichever proved to be the lower.

Your Directors desire to express to the officials and all employees sincere appreciation of their services rendered during the past year.

In accordance with the By-laws, seven of your Directors, Sir George Macdonogh, K.C.M.G., Messrs. H. N. Baird, E. J. Coyle, J. H. Davey, A. K. Hugessen, K.C., C. R. Petrie, and Colin W. Webster, retire at the ensuing Annual General Meeting and are eligible for re-election.

For the Directors,
FRANK M. ROSS, President.

Montreal, Que., December 9, 1938.

Consolidated Balance Sheet—September 30, 1938

ASSETS

Current Assets:		
Cash in Bank and on Hand	$ 95,080.38	
Accounts Receivable, less Reserve of $10,000. for Doubtful Accounts	261,549.56	
Surrender Value of Life Insurance Policies	4,478.98	
Physical Inventory, as certified by the Management, valued in respect of Raw Materials and Supplies at Cost and as to Goods in Process and Manufactured Stock at Standard Costs estimated by the Management	282,139.80	$643,238.42
Investments in Property and Securities Carried at Cost, Less Reserve of $25,000.00		11,410.38
Deferred Charges to Operations: Prepaid Insurance, Taxes, etc.		9,802.02
Property Assets:		
Land at Cost, less write down resulting from expropriation, Buildings, Leasehold, Machinery, Plant and Equipment, at cost, with the exception of certain properties which are carried at a value determined by the Chartered Trust and Executor Company in November, 1931,* viz.: $25,000.00 plus subsequent additions at cost	$593,721.80	
Less: Reserve for Depreciation	250,115.95	343,605.85
Trade Marks, Patents, Formulae and Goodwill		190,001.00
		$1,198,656.67

Approved on Behalf of the Board:
W. W. HUTCHISON, Director.
J. H. DAVEY, Director.

LIABILITIES

Current Liabilities:		
Accounts Payable	$ 61,385.78	
Accrued Liabilities	1,351.45	
Provision for Dominion, Provincial and Other Taxes	19,184.46	$ 81,921.69
Mortgage Payable:		
Due April 1, 1942		4,100.00
First Mortgage Ten Year 5½% Sterling Bonds due September 1, 1943, £30,000.	$146,000.00	
Less: Redeemed and cancelled £8,000.	38,933.33	107,066.67
General Reserve		34,479.03
Reserve for Amortization of Bonds		55,330.44
5% Cumulative Participating Preferred Stock:		
Authorized and Issued—42,000 Shares of $20.00 each		840,000.00
Note:—Dividends aggregating $6.50 per share have accumulated on the Preferred Stock, of which $1.25 has since been declared payable on December 21, 1938.		
When all arrears of dividends have been fully paid up, the dividend rate will increase to 6%.		
Common Stock:		
Authorized and Issued—		
Class "A" 20,860 Shares without par value	$104,300.00	
Class "B" 7,140 Shares without par value	35,700.00	
	$140,000.00	
of which the total amount was attributed to Surplus	140,000.00	
Capital Surplus		10,067.09
Earned Surplus, Balance at September 30, 1938, as per Statement attached		64,571.15
		$1,198,656.67

Submitted with our Report to the Shareholders Dated December 8, 1938.

PRICE, WATERHOUSE & CO.,
Auditors.

Consolidated Statement of Profit and Loss and Earned Surplus for the Year Ending September 30, 1938.

Profit from Operations, before provision for the undernoted items		$169,808.85
Income from Investments and Rented Property		1,028.77
		$170,837.62
Interest on Bonds and Mortgages	$ 7,525.05	
Directors Fees	2,650.00	
Executive Salaries	24,495.20	
Legal Fees	412.03	35,082.28
		$135,755.34
Provision for Depreciation		35,083.75
		$100,671.59
Provision for Dominion and Provincial Income and Profits Taxes	$ 18,630.44	
Transferred to General Reserve	10,067.16	28,697.60
		$ 71,973.99
Transferred to Reserve for Amortization of Bonds		19,473.99
		$ 52,500.00
Earned Surplus — Balance September 30, 1937		65,164.50
		$117,664.50
Prior year's adjustments in respect of Income Taxes	$ 603.35	
Dividend paid on Preferred Stock, December 21, 1937	52,490.00	53,093.35
Balance of Earned Surplus, September 30, 1938		$ 64,571.15

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of International Paints (Canada) Limited and its wholly owned subsidiary companies for the year ending September 30, 1938, with the exception of Stewart & Wood Limited, in respect of which we have accepted accounts audited by another firm of Chartered Accountants. We have received all the information and explanations which we have required; and we report that, in our opinion, the attached Consolidated Balance Sheet at September 30, 1938, is properly drawn up so as to show a true and correct view of the state of the combined affairs of International Paints (Canada) Limited and its subsidiary companies at that date, according to the best of our information and the explanations given to us, and as shown by the books of the companies which we have examined and by the audited accounts of Stewart & Wood Limited.

PRICE, WATERHOUSE & CO.,
Auditors.

MONTREAL, December 8, 1938.

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TORONTO, DECEMBER 24, 1938

The Financial Post Editorial Platform for Canada

The duty of political leaders is to lead; to give direction to public opinion; to act with courage in matters of public policy; to combat inertia in the conduct of the nation's business.

The Financial Post stands for LEADERSHIP of this kind in Canada.

Such leadership is essential to preserve our free and democratic institutions. It is urgently needed, now, in Canada, in order to:

1. *Eliminate waste in public business.*
2. *Put idle resources of manpower and materials to work.*
3. *Maintain financial integrity in meeting public and private obligations.*
4. *Promote a spirit of national unity in place of conflicting sectional loyalties.*
5. *More efficiently organize Canada's trade.*

National Unity

FOR at least two months the federal-provincial pot will have to simmer away without the explosive personality of Mr. Hepburn. The country will have a chance to see how it can get along without the irrepressible diatribe of which the Ontario Premier is an acknowledged master.

So far, political leaders at Ottawa (who should be the chief spokesmen for national unity) have allowed their side of the case to go by default; they have shown little courage or leadership in their programme. Disruptive provincialists like Mr. Hepburn have had things all their own way.

If there is any intention at Ottawa of giving leadership by promoting "a spirit of national unity in place of conflicting sectional loyalties," the next two months should be used, not as a breathing spell but as an opportunity to convince the people of Ontario especially that their federal political leaders really "have something" on the national unity ball.

If Canada is to be a nation rather than a group of Balkanized states, something more than drift and diatribe is needed. There must be a direction and purpose in national leadership which will carry the judgment and stimulate the enthusiasm of all Canadians irrespective of geography or political allegiance.

The Stevens-Manion Entente

HON. H. H. STEVENS has announced his intention of rejoining Conservative Leader Manion for the next general election. Speaking at Montreal recently he said:

> "I expect to be lined up with Dr. Manion and advocate with him the reforms and practical action which are so urgently needed at the present time."

This statement confirms a prophecy made last July by The Financial Post at the time of the Conservative convention at Ottawa. A staff writer then reported:

> "It seems highly probable that a Manion-Stevens rapprochement is pending and that the huge 'protest' vote which it is believed Mr. Stevens can still swing to his support in any election campaign will be shepherded into the Conservative fold.
>
> "Dr. Manion and Harry Stevens have often hunted together in the past. Unless some new factor interferes to upset well-laid plans, they will probably be hunting together again before long."

The effect of this alliance on Conservative party fortunes remains to be seen.

So far, the new Tory leader has disappointed many who hoped that his personality and programme would set the dull embers of Conservatism aflame. Mr. Stevens's contribution will depend on the extent to which his radicalism is allowed free rein.

Dr. Manion regards himself as "progressive." If he allows Mr. Stevens to dictate his policies he will be hard put to avoid the label "radical."

Debt, Revenue and Taxes

THE Dominion and Provincial Governments are taking more money out of the pockets of Canadian taxpayers than ever before.

Latest available reports of the Dominion and each of the nine provinces show revenues to be at a peak level. As compared with the 1929-30 fiscal year, revenues are substantially higher.

	1937-38 ($000,000)	1929-30 ($000,000)
Dominion	516.7	445.9
Prince Edward Island	*1.1	1.1
Nova Scotia	*11.1	7.7
New Brunswick	*7.8	6.6
Quebec	53.3	43.6
Ontario	97.8	57.3
Manitoba	16.9	13.9
Saskatchewan	19.1	16.6
Alberta	24.1	15.8
British Columbia	31.0	25.5

*Fiscal years ending in 1937.

Note—Manitoba figures for 1937-38 include special grant of $750,000 from Dominion Government. Saskatchewan figures include a special grant of $3.5 millions.

The above figures show that provincial government revenues last year were $75 millions higher than in 1929-30. Dominion Government revenues were $70 millions higher than in 1929-30.

Yet deficits and debt increases continue to be the rule rather than the exception. Only three of the senior governmental bodies balanced their budgets last year inclusive of unemployment relief costs. Only one had a decrease in net debt.

Most Canadians probably attribute this condition of affairs to relief expenditures. Relief expenditures are a heavy burden on the purse of the Dominion and the provinces, but they are only a partial explanation of the failure of governments to balance their budgets.

Other expenditures have also been increased.

Assuming expenditures other than for relief had been pegged at the 1929-30 level, the Dominion and every province (excepting Saskatchewan) would have balanced their budgets last year after providing for relief. In some cases there would have been a substantial surplus.

Take the instance of the Dominion Government. In 1929-30 it had a surplus of $47 millions after providing for ordinary, special and capital expenditures. Last year it had a deficit of $17 millions, although revenues were $70 millions higher. If ordinary expenditures had not been permitted to increase by $57 millions during the past eight years, there would have been a surplus of $40 millions.

These figures indicate governments like individuals spend more when their resources increase. The danger is that the trend will continue with little hope of relief for the taxpayer.

One prime essential in restoring sanity to the whole tangled field of public finance is the setting up of adequate sinking fund provision for our public debt. As improved business adds further to governmental revenues, an increasing share of this revenue must be laid aside to offset huge debt increases.

If this were done there would be less opportunity for governmental expenditures to rise with improving business and increasing tax receipts.

Uniform Government Accounting

PROGRESS made by the Dominion in establishing a sound and understandable accounting system was shown by the recent statement filed with the Securities & Exchange Commission at Washington. Credit for this progress goes to the Department of Finance.

Most provinces, and, still more the smaller governmental bodies in Canada, are a long way from achieving a simple but complete system of accounts. The Province of Quebec, for example, made some tentative attempts to finance in New York recently. It has been suggested that the province would have required at least three months to compile the information required by the S.E.C. before registration would have been accepted.

Investors may rightly feel impatient with the slow progress made by most government bodies in Canada in setting forth properly the financial results of their operations. Some time ago the Dominion sponsored a conference at Ottawa to establish uniform accounting practices for Canadian municipalities. So far no results are perceptible although the basic studies of dominion and provincial finance made for the Rowell Commission are expected to mark a definitely forward step in this direction.

It is not greater volume of information that is needed—quite the contrary in many cases. The need is that this information be presented in more simple, complete form.

And there should be uniformity between comparable units.

Our Immigration Policy

IF CANADA really wants desirable immigrants from Europe now is the time to get them. The present opportunity is not likely to be repeated.

Throughout Europe, there are millions of families regarding the future with dread. Threat of oppressive taxation, personal restriction, revolution and war are universal. It is fully comparable with the wave of disturbance which swept the continent back in 1848.

Following the latter year of upheaval there was a mass migration. In the following decades, millions of people faced the perils of starvation and a fresh start in the new world.

Because of restriction on emigration in many countries, it may this time be more difficult for these people to get out. Some direct help as well as encouragement may have to be offered from this side. But a flow of people could probably be started now if we really wanted it.

Within a few years, twenty at the most, the opportunity will have passed. By that time there may be no surplus population left in any of the Northern countries of Europe. Rate of increase has already fallen below maintenance level in Sweden, Norway and Denmark and in France. Populations there are already shrinking. The same thing will be in evidence in Great Britain and probably in Germany well before 1950.

Most of the generation born today are already assured of jobs; those born tomorrow will be able to pick and choose. Long before they are ready for these jobs, however, rigid steps will have been taken in Europe to put an absolute ban on emigration.

If Canada really wants people from that continent we must decide now. Ottawa should face the issue and come out with a definite policy. Admittedly it is easy to postpone such a decision while men and women are still unemployed in Canada. But with a shrinking export market abroad and with a mere smattering of population for our domestic market, our long-term policy should be decided before it is too late.

Ontario and Mr. Hepburn

THROUGHOUT his ebullient speech to the Empire Club of Toronto last week, Premier Mitchell Hepburn kept reiterating the point that Ontario people contribute one half of all federal taxation.

Actually, of course, Mr. Hepburn's claim is an exaggeration. Though almost half the federal revenues do come nominally from Ontario, they are credited to that province merely because the head office of large national merchandising, financial and industrial establishments happen to have their head offices there. The wealth and earning power they represent is in fact Canadian rather than provincial.

But, nevertheless, this relationship of the provincial taxpayer to the public purse is an important point, one that needs continual emphasis.

It is another way of reminding citizens of Ontario or any other province that there is after all only one taxpayer; that every time demands are made on the public purse it is they—not someone else—that must pay the piper.

Too often the federal treasury appears as a rich relative with plenty of money to spend and distribute. If the third of Canada's population living in Ontario could grasp individually the fact that it is from their pockets that public money must come, some of our more burdensome problems in public finance would be more quickly solved; waste in public business would be more quickly eliminated.

Serving Small Borrowers

THE CANADIAN BANK OF COMMERCE added to its reputation for digging up interesting facts about its own business by the reference at its recent annual meeting to its extensive personal and commercial small-loan business.

According to figures presented by A. E. Arscott, general manager, the bank has made, in the past two years, over 108,000 personal small loans aggregating some $15 millions. In the past 11 months an additional 106,000 loans in amounts of less than $500 have been made through the regular channels of banking accommodation. The volume of this latter business has already totalled over $16 millions to date this year.

Something of the personal equation undoubtedly disappears when a country's banking business is handled not by thousands of individual institutions, but by a branch system centring in 10 nation-wide organizations.

But most men and women, when they need to borrow money from Canadian banks, have no trouble finding the welcome sign on their local manager's door. As Mr. Arscott said last week: "If they are credit-worthy we welcome their business."

Editorials in Brief

A Merry Christmas!

Crime, says a Michigan State Bar Committee report, "has within it the cancer which may well be the thin entering wedge leading to the destruction of society if it be not always kept on the shortest possible leash."

On reading this, our staff expert on mixed metaphors gasped with sheerest envy.

• • •

In the provincial legislature buildings at Charlottetown, P.E.I., there is a plaque commemorating the Charlottetown Conference of the Fathers of Confederation. It bears this inscription: "They Builded Better Than They Knew."

In view of the present chaotic condition of Dominion-Provincial relations and submissions to the Royal Commission studying this subject some Canadians may be inclined to doubt the truth of this statement.

Yet, the present situation can in no way be ascribed to lack of foresight on the part of the Fathers of Confederation. They could not be expected to foresee the change in conditions. Then, again, they are not responsible for Canadians losing sight of the intent of Confederation.

• • •

Some time ago the Japanese Legation at Ottawa sent The Financial Post a form letter asking for information as to the owners, editors, circulation, political affiliations, etc., of this paper. No doubt a similar form went to other newspapers in Canada.

Such a questionnaire is not of itself objectionable. All such information is already available in published form. But no doubt most Canadian editors bristled at it when it came from a government now engaged in a military and political offensive that is not without its threat to the security of the British Commonwealth.

The Financial Post replied, advising the attaché of the legation that if he would state why the information was sought we should be glad to fill out the form. That was several weeks ago. To date no reply has been received. Are we to assume that the legation does not desire to reveal its purposes?

Sayings of the Week . .

"Character, that's what a nation needs."—*Rt. Hon. R. B. Bennett.*

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"I am not going to take orders from British Parliamentarians."—*Herr Hitler.*

• • •

"There will be no European war involving first-class Powers."—*Lord Beaverbrook.*

• • •

"We are living in a new era altogether and we must realize it."—*Premier Mitchell Hepburn.*

• • •

"Our party is on the verge of winning a great victory, just as we did in 1930." — *Dr. R. J. Manion.*

• • •

"I shall die before I've educated America properly, but I'm making a beginning."—*George Bernard Shaw.*

• • •

"Battleships, tanks, guns and rifles are no good unless you have men." — *Duke of Devonshire, Dominions Under-Secretary.*

• • •

"We need to supplement the workers' income in poor years, rather than try to increase it in the good years."—*Alfred P. Sloan, Jr.*

• • •

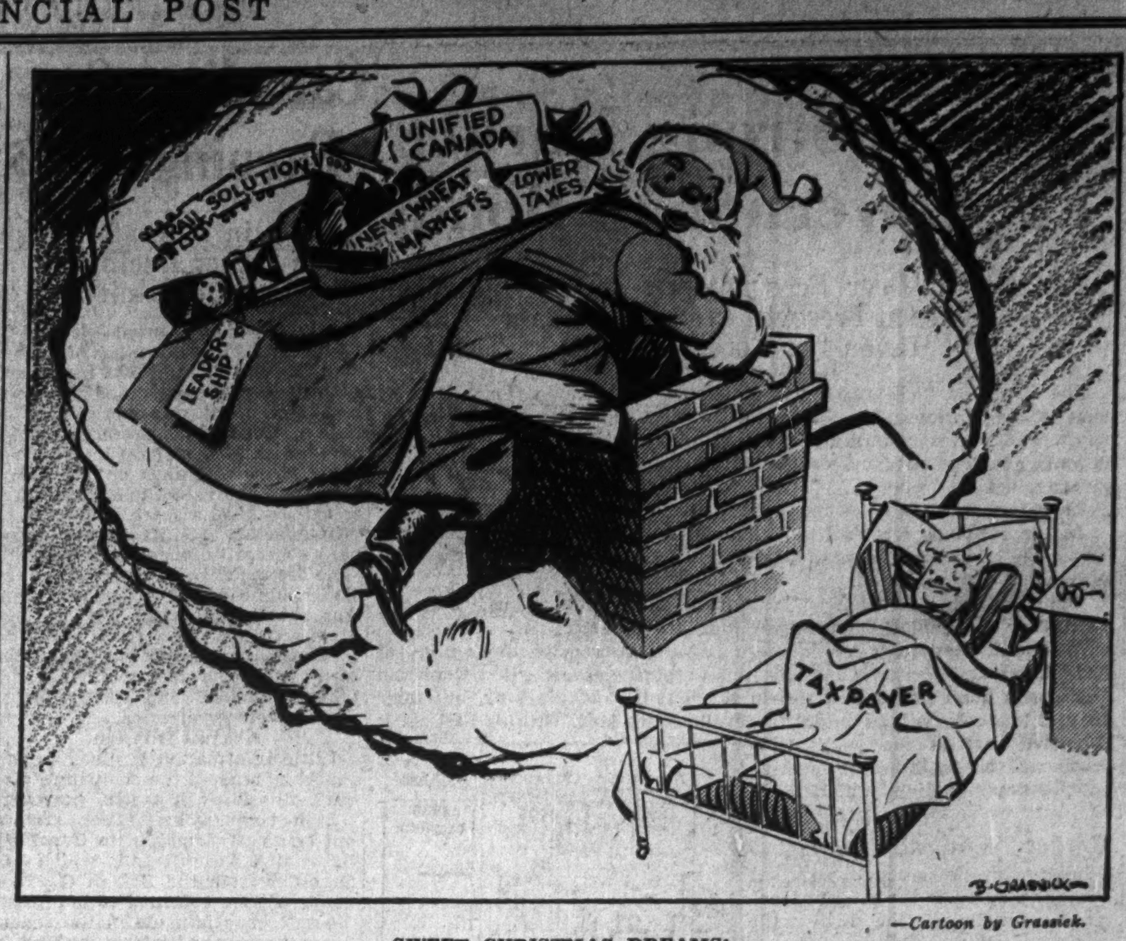
"The security of the world will largely depend upon one factor—whether Germany and Britain can come together."—*Ex-Crown Prince Wilhelm.*

• • •

"I am in America because I am disturbed by the world's economic situation. I want to try to get the remedy applied as soon as possible."—*Sir George Paish.*

• • •

"The type of person offered for settlement in this country could easily be absorbed, as they all speak English." — *Benjamin Robinson, K.C., President, Jewish Immigrant Aid Society of Canada.*



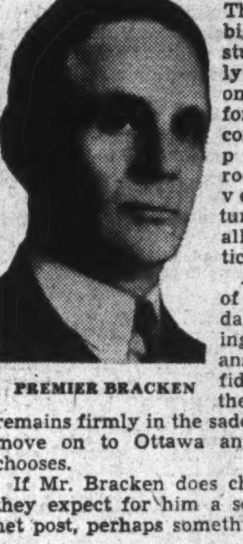
—Cartoon by Grassick.

SWEET CHRISTMAS DREAMS!

Post-Scripts . . . .

On to Ottawa?

Much more than wheat was involved in the conference called by Premier John Bracken in Winnipeg last week. Though the big audience stuck solemnly to wheat on the platform, in the corridors and private rooms, conversation turned naturally to politics.



PREMIER BRACKEN

As a result of this four-day gathering, Manitobans are confident that their premier remains firmly in the saddle and can move on to Ottawa any time he chooses.

If Mr. Bracken does choose, then they expect for him a senior cabinet post, perhaps something higher.

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Hon. John Bracken is given credit for being the shrewdest politician west of the Great Lakes. He certainly will not admit this himself, naively preferring to be called anything but a politician. But his record offers striking confirmation.

Mr. Bracken came directly from a federal civil service post to head of the Manitoba Government away back in 1922. He has been premier ever since, which is the current long-time record throughout the British Empire. Though the crew has shifted constantly the captain has remained the same.

Mr. Bracken first headed a farmer's government, then a coalition, gradually this swung to straight Liberal, finally part Social Credit. His friends believe that he can continue to lead one that may soon have to depend for some help on the C. C. F.

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Sensing acute wheat difficulties ahead, Mr. Bracken called the recent conference. Through the medium of wheat he believed he could get varying western interests to speak with a united voice, possibly through a single leader. We believe that he has been successful.

Just before adjournment last week the conference enthusiastically endorsed a sincere resolution of thanks to Mr. Bracken. The mover was a prominent representative of the grain trade. The seconder was head of the Manitoba wheat pool. Both were bitter enemies up to a few years ago.

Just after the resolution a leading member of Premier Aberhart's cabinet thanked Mr. Bracken on behalf of the Social Credit party. Only a diplomat of the highest talent could produce such co-operation.

• • •

A New Leader?

John Bracken's friends, and there are a great many of them, will tell you that his success lies in looking far ahead. But even the most loyal of these do not claim that when Mr. Bracken announced the wheat conference a month ago he knew that it would coincide with a fresh outbreak of the Hepburn-King feud. This they attribute simply to luck, but of such magnitude that it may land Mr. Bracken perhaps in a year or two at the head of a new federal cabinet.

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Renewal of the Liberal feud focused attention on the vital necessity of a new Canadian leader, one who could command wide support. It was most fortunate for Mr. Bracken that just at the time he was holding a significant conference. In attendance were at least 200 important local leaders from all parts of western Canada and in addition some very influential representatives from the financial and industrial east.

Most of the latter were much impressed with John Bracken's skill in getting unanimous co-operation from widely conflicting political and economic interests. They were also impressed by the fact that Mr. Bracken is still in his middle fifties and undisputed leader of a central and strategic Canadian province.

• • •

Christmas Watches

Once again we have been amusing ourselves by watching the time on the Christmas clocks and watches which we are importuned to buy in the newspaper and magazine advertisements.

On this continent, in order to relieve the strain on prospective purchaser's eyes, most watch manufacturers agree to show their products with the hands pointing at approximately 8.20. Actually there are slight variations of this.

For example, Elgin sets its paper timepieces at 8.18; Telechron at 8.19; Waltham, Elgin and Ingersoll at 8.20; Ryrie-Birks at 8.23.

One manufacturer claims that his hands always point to 8.17 because Abraham Lincoln was murdered at that time on April 14, 1865.

Swiss watches usually run all round the hour, while Bulova are fixed at 10.35 and Hamilton watches at 10.12.

• • •

New Candidate

Newest candidate for recognition as the long-awaited "great Canadian novel" is: "Then I'll Look Up." It is a story of life on the Great Lakes and has already won high acclaim from book reviewers. A tale of outdoor life, it is the product of the pen of a man who has lived in open air.

Angus Mowat, the author, is perhaps the only man in Canada working in a city job who ever paddled to his office. For five years he was a librarian in Saskatoon. With his wife he lived in a caravan on the banks of the River Saskatchewan. He paddled a canoe to the city each morning, swirling down the swift current into which few ever ventured to launch a boat. At night Mrs. Mowat drove to town, picked up canoe and husband, and brought them back to wherever the caravan had rested.

• • •

Mr. Mowat went to Queen's University with the intention of becoming a lawyer and following in the footsteps of his great-uncle, Sir Oliver Mowat. War broke out after he had been at university two years and he enlisted as a private, was commissioned overseas, badly wounded and returned to Canada. He married on the very modest income of $75 a month, and he and his wife left for Nipigon, he to act as a fire ranger. They lived in a tent for the first six months of their married life.

He returned to Toronto and took a carpentering course to help him in a venture of bee-keeping. However, while Mr. Mowat kept bees, the bees didn't keep him, so he took up library work, first in Trenton, then Belleville, Windsor, and finally Saskatoon. He was chosen by the Ontario Government last year as Inspector of Public Libraries for the Province of Ontario.

For only one year since the war have Mr. and Mrs. Mowat lived in a house during the summer months. They have either lived in a caravan or under canvas, and their ideal, now achieved, is to live in a boat all summer and in a farmhouse during the winter months.

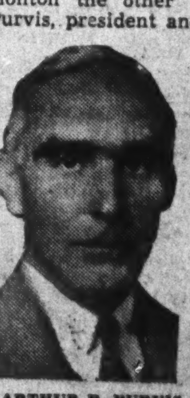
Mr. Mowat's hobby, well known to all his friends, is that of sailing. He has sailed from boyhood and can handle any craft—canoe, skiff, dinghy, and now his dream boat, a 34-foot ketch.

"Then I'll Look Up" is Mr. Mowat's first novel. S. J. Reginald Saunders, Toronto, published it.

• • •

New Geography

In talking to a reporter at Edmonton the other day Arthur B. Purvis, president and general manager of Canadian Industries Ltd. and formerly chairman of the National Employment Commission confessed that he made a remarkable discovery in geography.



ARTHUR B. PURVIS

The discovery was this: That the shortest route from Wilmington, Delaware to Victoria, B.C., was by way of Mexico City.

The story arose because Mr. Purvis admitted to the Edmonton Journal scribe that he had just returned from Mexico. The scribe thereupon asked if Mr. Purvis's trip there had any connection with the Mexican Government's seizure of oil and mineral fields or with its orders for new fleets of army airplanes.

Mr. Purvis answered him thus:

"My secretary tells me that no one will believe this, but it is true anyway," he said. "I have been promising my wife and myself a vacation trip for the past two years, and I couldn't take it before because of the pressure of business and the work of the employment commission. But a few weeks ago I asked her where she'd like to go, and probably thinking that we would not get away, anyway, she said that she'd like to go to Mexico.

"Well, I surprised her. I had to go to New York and to Wilmington, and I had to go to Victoria to start this tour of our Canadian branches. So I managed to make a remarkable discovery in geography — that the shortest route from Wilmington to Victoria is by way of Mexico City.

"We took our own plane and made a nice leisurely trip almost to 100 miles south of Mexico City, and then came back up to San Diego. I left the plane there with my wife and came up to Victoria on the regular lines. She took our plane to San Francisco and then to Salt Lake City and on to Chicago, and our pilot is flying it up here from Chicago to pick me up. He should be here in Edmonton this afternoon."

• • •

Bruce Old Boy

Mr. Justice Percy McCuaig Anderson, newly appointed to the Saskatchewan King's Bench and who was married in Winnipeg recently wanted so much to be a dentist but his desire was more a revengeful nature than that of the careful selection of a vocation.

JUSTICE ANDERSON

When a small boy he made various trips to his family dentist in Paisley, Ontario, and studied his method, that of perpetrating a little joke before a stabbing pain, as though to sugarcoat the pain. The young Percy Anderson wanted to get back at dentists and become a sort of a dentists' dentist so he could have a good time while he was at it.

Instead of becoming a dentist he turned to law and became a menace to railway lawyers. He has two proud boasts. One is that he never lost a damage action against railway companies and the other is that he is a Bruce County old boy.

• • •

A favorite statement among fellow practitioners was that, with "P.M." appearing for the plaintiff, it was not a 12-man jury deciding the issue. "P.M." made the 13th man of the jury.

Early in his address he would move adroitly until he was standing alongside the end man on the jury and then taking a confidential tone he would urge:

> "Now gentlemen, we don't want to impose any exorbitant damages upon the railway company, but we must look at it in this light . . ."

He then would detail the prospective earnings of the deceased and the necessity of placing the widow and children in as favorable a position as if the deceased had lived and continue to enjoy the highest rate of pay earned in boom times of railroading.

• • •

His boast about being an old Bruce County lad resulted from an accidental discovery.

Some years ago as the guest at an annual Bruce County reunion he was greeted by one of Bruce's old boys as a fellow citizen of Paisley. His father at the time of his birth and for some two months thereafter was pastor of a church there. Trembling with eagerness, "P.M." turned to his neighbor and asked if Paisley was in Bruce. Assured that it was, "P.M." rose to the occasion and proudly assumed his position as a native son.

Among the honors which have been bestowed upon him for his public service, distinction in law and the host of friends won by his affable nature, there is none that gives him greater pride or pleasure than that of being this year's president of the Bruce Old Boys.

• • •

Mr. Justice Anderson was born at Paisley in 1879, attended Uxbridge and Belleville schools and graduated as a gold medallist. He left Queen's University with honors in political science and history then moved West and studied law with Aikins, Robson & Co.

In 1909 he moved to Saskatchewan and was soon embroiled in an active practice that contains considerable of Saskatchewan's history. He was counsel in various important cases and represented the Government on numerous commissions.

He has always been Liberal and reached high pinnacles in political service club associations. He was elected in the provincial elections of last May for Regina by a substantial majority. His appointment to the bench necessitated a by-election.

Leaderless Women . .

Are Canadian Women Leaderless?

Editor, The Financial Post:

You definitely started something when you turned your expert staff writer loose on this subject. Yes we are leaderless, in the big way. Most of our organizations have pleasant presidents, doing their splendid bit. But we want a generalissimo — a woman great enough to swing all the divergent activities into one grand push to achieve some great purpose. I can think of nothing at the moment which requires this leadership so much as the one you have pointed out—Canadian Unity.

Perhaps we need a man!

Women, like schoolboys, are hero worshippers. Most of us, I think, would rather follow than lead, providing the one who goes out ahead of the procession is sufficiently inspiring, not only stirring our idealism (for our country or what-have-you) but filling us with confidence in his or her ability and integrity.

It would not be correct to say of leaders that they are "born and not made." They must be both. A few are born with a flair for leadership, yet they need to be "made," as well: To go through a period of intensive training — study people, their conditions and their history. They must learn to mingle well—to work not only for, but with, others; must sink all pettiness—become big and (I almost said) "tough."

But what I mean is that leaders should be impervious to carping criticism, from friend or foe—must be certain they are right, then go ahead. Courage always thrills the rank and file. Yes, we need a leader with wisdom, integrity—and courage.

Kenneth Wilson would remind me to add "enthusiasm." He repeatedly mentioned it in his stimulating article. That quality is very important.

The other day I was interviewing William Tyrrell, unquestionably Canada's greatest bookseller, and when I asked him what quality he had found helped him most in this business of selling, he said unhesitatingly—"enthusiasm."

What is true of a literary leader should be effective in all leadership. You cannot carry conviction to other people without first being convinced yourself. This is the essence of enthusiasm.

ANNE MERRILL,

Toronto.

In the Mail . .

The Canadian Navy

Editor, The Financial Post:

In your current issue is a news item about the forthcoming plan to expand the Canadian navy.

News of the plan is necessarily vague at this time, but it does appear that the Minister of National Defence is contemplating the ultimate formation of a flotilla of nine destroyers on each coast.

I have read several interesting articles on national defence in your paper, but I have not seen in it, or in any other paper, any discussion of what types of warships are most needed by Canada.

As you no doubt know, Canada now has six fairly modern destroyers; and the personnel of the Canadian navy is of very high standard. But, do these ships, and the ones we propose to get, fit into Canada's defense plan?

The destroyer is an expensive and highly specialized weapon. Its principal uses are:

(a) To protect a fleet from submarines and destroyer attacks.
(b) To attack an enemy fleet.
(c) To hunt submarines.
(d) To protect convoys from submarine attacks.

Canada has no fleet to protect.

One flotilla would not be strong enough to make a worth-while torpedo attack on a strong enemy squadron, even under cover of night or smoke screen. It would be a desperate gamble to launch one's whole force without any backing.

In the next war the submarine peril will probably be most acute in European waters. Submarines will probably be one of the least of Canada's worries.

The Atlantic flotilla might do useful convoy work if the seas are cleared of hostile surface warships.

It seems to me that the destroyers would be of far more use to the Imperial navy than to ours. The last war showed that Britain was never able to get enough destroyers. It seems a pity to deprive her of them to put them in places where their use is likely to be slight. Further, I believe they would be a peril to their crews. Naval history is full of cases of little ships being overwhelmed by superior forces.

Nor is the proposed increase in number of our navy impressive. It would seem that several years may elapse before we even get the two flotillas completed.

Has the government been taking the advice of the Department, or are the destroyers being purchased because we have got in the habit of buying a brace of destroyers?

My own suggestion, for what it is worth, is that the least we can do is to get two fast 10,000 ton cruisers with 8-in. guns and return the destroyers; get enough minelayers to quickly lay formidable minefields to protect the approaches to certain west coast ports; form a flotilla of 12 or 18 modern costal type submarines to be based on west coast bases. The seaplanes already ordered would fit into this scheme.

In any case, I believe that the matter deserves more consideration than seems to have been given it. To whom should the matter be referred? The safety of our country and the lives of our officers and men depend on the plans now being made.

R. C. McMICHAEL,

Toronto.

Stop Me If . .

In a Toronto school a teacher asked his class last week to name, each in a separate sentence, (a) the prime minister of Canada, (b) the name of the party at present in opposition in the House of Commons, and (c) the name of the present leader of the Dominion opposition.

One lad wrote: "The present leader of the Dominion opposition is Mr. Hepburn."

"Perhaps that's more right than wrong," smiled the teacher.

Week in Business

Christmas Trade Fair But Routine Sales Off

Unseasonably Warm Weather Takes Serious Toll of Retail Business — November Stages Substantial Recovery — U. S. Comeback Pauses

Christmas buying in Canada is now expected to be about as good as a year ago, though general retail trade this winter has not come up to expectations. Chief reason has been the unseasonably warm weather. Throughout most of the country there has been decidedly more rain than snow since November and temperatures have been high.

Such weather has seriously hit sales of winter clothing, fuel, sporting goods, and to a certain extent the early Christmas trade. Of course some lines have benefitted, namely, gas, oil and sales of new cars.

• • •

Canadian business, according to the preliminary Financial Post Business Index for November, is now at the highest level of the year and within five points of this time a year ago. The sharp improvement may be generally rather surprising because it has been spotty both in industries affected and in areas.

Most of the gain has been confined to certain definite lines such as mining, oil production, grain, flour exports and milling. The fact that carloadings, electric power output and employment are still averaging from 6% to 9% below a year ago is probably a better reflection of general conditions throughout Canada.

One most disturbing factor in the present situation is the lower purchasing power of Canadian farmers both east and west. Country stores sales have been running about 4% below a year ago.

There are, fortunately, some bright spots in this situation. In the apple districts of Nova Scotia conditions are improved and the same is true of the tobacco area in Ontario. A good wheat crop has brought something fairly close to prosperity over large sections of Alberta and even only a fair crop has helped Saskatchewan. Elsewhere in rural Canada, however, either prices or volume have been rather disappointing.

• • •

United States business, upon which depends largely the Canadian trend in the next three months, has slowed down slightly this week. The recent advance brought current level up well above a year ago and to much the best point this year. After a steady rise of over five months some flattening was to be expected.

Most American observers continue optimistic, pointing to the near record car sales, higher electric power output, good construction progress. A few, however, are concerned over recently lower steel output and carloadings. Neither of the latter have shown any substantial decline but both must continue to gain if recovery is to be resumed on the steeply rising scale of last fall.

Both Canadian and American business will be closely watching the situation in United States immediately after the turn of the year. By February at the latest we should know whether Uncle Sam can digest recent gains. By spring his progress will be overshadowed by the outlook for peace in Europe.

Business Indicators

Financial Post Business Index rises sharply in November. Gain of five points follows almost equally good advance in October and brings current level to top for year. D. B. S. weekly index for first part of December lower.

Dept. store sales in November rise about 3% and now almost equal level of year ago.

Carloadings continuing about 8% below level of 1937.

Railway earnings, gross, reflecting lower western grain movement, with C. N. running slightly under year ago in latest week and C. P. barely ahead.

Automobiles—November output passenger cars well above year ago, indicates manufacturers optimistic of higher sales. Truck output slightly lower, October exports also.

Mining—Latest production figures for base metals indicate some slight slackening from recent peak output. Oil volume running double a year ago.

Foreign trade in November while still substantially behind a year ago makes better comparative showing than last month.

Current trend in Canadian business shown by The Financial Post Index of business activity and in following table of key factors, new figures for the week marked thus▲.

	Dec. 10	Dec. 3	Nov. 26	Nov. 17	Dec. 11/37
Commodity prices	73.3	73.4	73.5	73.6	82.7
Weekly index	104.6	106.1	106.6	108.4	104.2
	Nov.	Oct.	Sept.	Aug.	Year Ago
Financial Post index	▪120.1	115.7	112.6	109.2	126.4
Retail index no. of sales	....	80.4	79.2	78.4	80.4
Dept. store "	▲79.3	77.3	76.8	74.7	79.9
Wholesale "	....	97.9	106.7	98.2	107.4
Country (% change) fr. last yr.	....	....	—3.9	—0.8	....
Employment D.B.S. Index—					
	Nov. 1	Oct. 1	Sept. 1	Aug. 1	Year Ago
All industries	114.6	116.7	115.1	112.1	125.2
Manufacturing	110.9	112.5	113.8	110.0	119.0
Wage earners, No. (000)	....	....	2,402	2,378	2,587
Living costs¶	....	$17.35	$17.41	$17.70	$17.51
			Jan. 1 to date		%
Railways—	1938	1937	1938	1937	Change
Carloadings, week (Dec. 10)	▲43,024	47,041	2,317,006	2,504,456	—7.5
C.N.R. gross, week (Dec. 14)	$ ▲3,528,237	3,584,956	174,111,041	189,519,625	—8.0
C.P.R. gross, week Dec. 14)	$ ▲2,741,000	2,727,000	135,985,000	138,406,000	—1.7
C.P.R. net revenue (Oct.)	$ 6,046,430	4,279,107	13,377,224	17,353,048	—22.9
C.N.R. net revenue (Oct.)	$ 4,650,861	3,431,576	2,195,607	13,959,438	—84.3
Iron and Steel (November)—					
Pig iron production (tons)	▲46,216	81,463	651,718	816,824	—20.2
Steel ingots and castings prod. (tons)	▲90,120	110,688	1,077,381	1,302,677	—17.3
Automobiles (Number)—					
Passenger Cars:					
Domestic sales* (Oct.)	5,392	4,356	81,044	100,741	—19.6
Factory output (Nov.)	▲15,423	13,793	109,563	138,987	—21.2
Trucks and Buses:					
Domestic sales* (Oct.)	1,124	1,491	23,268	27,253	—14.6
Factory output (Nov.)	▲2,569	2,781	37,909	47,361	—20.1
Exports (Nov.)	▲2,746	3,066	52,785	62,574	—15.6
Financing (Oct.)—					
Used	$ 2,500,679	2,262,682	31,467,243	31,234,983	+0.7
New	$ 2,024,494	2,060,611	29,501,985	35,778,155	—17.5
Construction—					
Contracts awarded (Nov.)	$ 15,019,700	14,716,300	176,592,400	213,293,100	—17.2
Cement, bbls. (Sept.)	701,327	942,196	4,224,965	4,792,317	—11.9
Agriculture—					
Flour prod., bbls. (Oct.)	1,906,385	1,489,185	11,088,504	11,118,378	—0.2
Flour exp., bbls. (Nov.)	447,875	405,921	3,546,801	3,749,333	—5.4
Wheat exp., bus. (Nov.)	21,793,514	14,542,227	98,195,773	89,372,080	+9.8
Cattle sales (Oct.)	93,902	126,578	638,279	853,211	—25.1
Hog sales (Oct.)	63,589	90,274	569,220	835,262	—33.0
Sea Fisheries (Oct.)‡—					
Catch, cwts.	1,029,650	848,800	8,085,530	7,987,623	+1.2
Landed value	$ 1,402,320	1,030,090	15,935,752	15,550,638	+2.4
Newsprint (tons)—					
Production (Nov.)	▲245,292	302,236	2,414,827	3,353,763	—28.0
Exports (Nov.)	▲245,812	315,642	2,213,197	3,146,435	—29.6
Mining and Oils—					
Coal prod., tons (Oct.)	1,483,709	1,712,369	11,333,734	12,559,259	—9.8
Coal imports, tons (Oct.)	1,457,481	1,837,501	10,938,485	13,386,677	—18.4
Gold prod., fine oz. (Oct.)	▲411,263	359,395	3,871,956	3,380,735	+14.5
Nickel prod., lb. (Oct.)	▲16,101,779	18,495,529	175,964,854	185,467,649	—5.1
Copper prod., lb. (Oct.)	▲49,356,139	51,915,082	490,572,600	430,012,972	+14.1
Crude oil prod., bbls. (Oct.)	▲685,068	342,557	6,001,662	2,245,725	+167.7
Crude oil imp., bbls. (Nov.)	▲3,669,886	4,560,443	33,867,518	37,057,780	—8.1
Electric Power Output (Oct.)—					
Total monthly m.k.w.†	2,329,428	2,365,052	21,268,733	22,711,255	—6.3
Foreign Trade—					
Imports (Nov.)	$▲63,303,669	80,669,072	633,165,368	755,799,854	—16.2
Exports (Nov.)	$▲94,074,548	107,817,516	886,273,191	1,046,473,513	—15.3
Other Industrial Factors—					
Dressed lumber exp.: M. bd. ft. (Nov.)	▲156,875	148,112	1,509,826	1,725,058	—12.4
Shoes, prod., pr. (Oct.)	1,760,996	1,984,112	18,582,752	21,100,634	—11.9
Cotton, imports, lb. (Oct.)	17,639,000	19,113,000	103,699,000	121,287,000	—14.5
Raw rubber imp., lb. (Nov.)	▲6,994,635	10,722,688	52,639,176	75,216,048	—30.0
Cigarette cons. (Nov.) No.†	▲599,736	578,389	6,351,250	6,158,267	+3.1
Sugar manufactured, lb.§	158,865,134	158,494,897	792,999,928	822,174,714	+3.5
Finance—					
Bank debits (Oct.)	$ 2,932,817	2,905,802	25,010,198	29,159,030	—14.2
Bond sales (Nov.)	▲$100,852,707	222,681,218	1,051,949,345	1,208,272,189	—12.9
Life insurance (Oct.)	$ 31,834,000	33,416,000	307,467,000	314,713,000	—2.3

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to Oct. 8, 1938.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
¶For average family per week, food, fuel, rent. ▪Preliminary.

Foreign Business

Conditions in South and Central America remain rather spotty as the summer season for that region commences. On the whole, however, there seems to be more improvement than recession but business, according to the current summary by the United States Department of Commerce, continues cautious:

Brazil—The beginning of Brazilian summer season and preparation for the year-end holiday business stimulated wholesale and retail trade in November.

Uruguay—Brisk movement of export commodities accelerated the pace of general business in November; import trade, however, remained restricted.

Ecuador—Despite the fact that there are still influences, present retarding the progress of recovery, slow signs of improvement were apparent in November, with indications that it may become even more tangible in December.

Panama—Lack of credit facilities greatly retarded trading during the past month and until the banking situation is resolved considerable uncertainty is expected to exist.

Venezuela—Heavy damages to the principal export crops occasioned by recent prolonged rains lessened the optimism of the business outlook in November.

Mexico—Seasonal improvement in most lines, easier money, and a fairly steady rate of exchange contributed to bring the November sales level almost up to that of Nov., 1937.

Guatemala—Despite the activities of the National Fair, sales levels generally were below expectations in November, but the coffee situation has become more encouraging.

Honduras—While there was no sign of improvement in business activity during November, good crops and rising prices promise enhanced agricultural returns and probably a later upturn in spending.

Cuba — Business sentiment improved in November, in view of expected results of a revision of the reciprocal trade agreement with United States, improved sugar prices, and satisfactory returns from shipments of early winter vegetables.

Pattullo Seeks Road Approval

Renews Effort to Get Alaska Highway Sanction

From Our Own Correspondent

VANCOUVER. — Premier T. D. Pattullo is going down to Ottawa early in the year with one dominant aim—to get the approval of the Dominion Government for his dream of a road to Alaska.

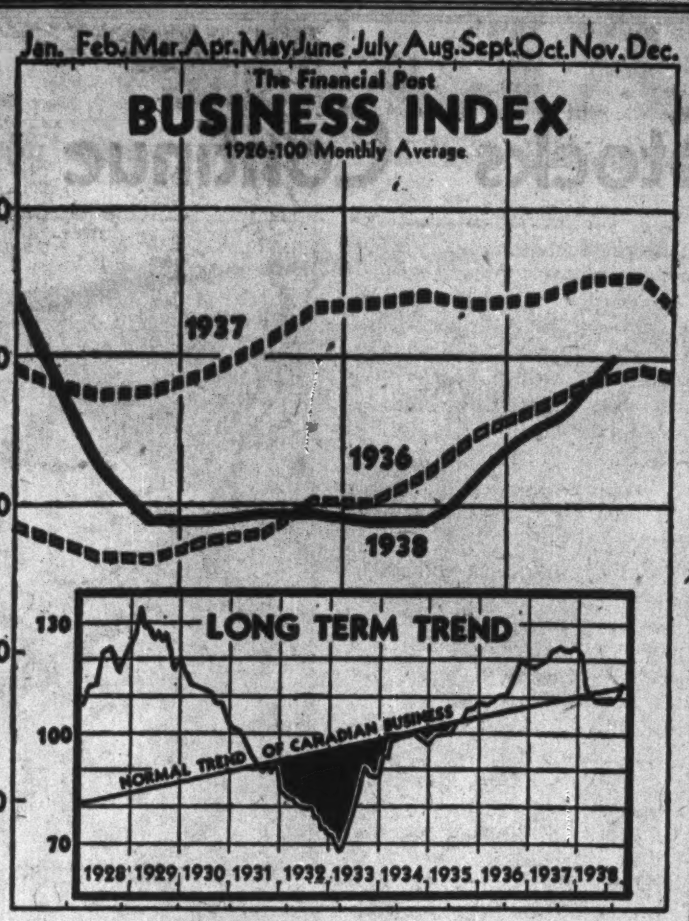
Cost of the road is estimated at around $20 millions. The Provincial Government has been advised unofficially but reliably that the United States Government is prepared to finance the project in one way or another, possibly by guaranteeing bonds of the constructing company. The United States wants the road primarily for its military importance as a land route from Washington State to Alaska.

Mr. Pattullo will not ask Ottawa for a cent, unless the unexpected happens and Ottawa wants to make an investment in the road. But Ottawa's sanction is essential, because the road must go through several hundred miles of Yukon territory, which is administered direct by the federal authorities. If federal consent is given, Mr. Pattullo will probably lose no time in giving Washington the sign to go ahead, and from then on it will become the financial baby of the United States.

Wants Commission Named

It is probable that at this juncture the Federal Government will not feel in a position to give a definite "yes" or "no" to the scheme. But Mr. Pattullo expects that Canada will at least appoint a commission to co-operate with a commission already appointed in the United States to look into the various economic and political aspects of the project.

Regarding the question from the cold-blooded political standpoint, provincial experts here see in the King-Hepburn fuss the possibility of an early national election and possibly a realignment of the Liberal forces, in which event the present Ottawa administration will seek all the support it can in the West. If B.C. can drive a bargain with Ottawa at all on the road, now seems to be the time.



According to preliminary information covering November the sharp rise noted for Canadian business in October continued last month. The Financial Post Business Index, based on preliminary data, touched 120 for the first time this year.

Largest gains were recorded in mining, automobile and foodstuffs production. Tobacco withdrawals from bond were heavier and steel and lumber improved output. There was some slight recession from October in newsprint, textiles, carloadings and construction.

Major Canadian Economic Factors

		Nov., 1938	Nov., 1937	% Change	Oct., 1938
Financial Post Business Index	1926=100	120.1	125.5	—4.3	115.7
Common stock prices	1926=100	110.4	103.1	+7.1	109.7
Wholesale prices	1926=100	73.5	83.1	—11.6	74.1
Capitalized bond yields	1926=100	162.6	145.3	+11.9	158.2
Bank deposits	1926=100	125.1	117.8	+6.2	123.9
Copper exports	cwt.	565,226	503,505	+12.3	481,831
Nickel exports	cwt.	214,865	214,553	+0.1	185,838
Zinc exports	cwt.	181,788	380,694	—52.2	288,190
Asbestos exports	tons	30,012	20,741	+44.7	17,246
Sugar manufactured	lb.	158,494,897	158,865,134	—0.2	96,562,843
Cheese, factory production	lb.	6,592,588	4,396,221	+50.0	15,098,036
Butter, creamery production	lb.	14,676,447	13,263,918	+10.6	23,454,669
Crude rubber imports	lb.	6,994,635	10,722,688	—34.8	7,031,956
Raw wool and yarn imports	lb.	1,175,792	1,244,220	—5.5	1,761,328
Newsprint production	tons	245,295	302,236	—32.1	254,872
Planks and boards exported	M. ft.	156,875	148,112	+5.9	144,296
Shingles exported	squares	16,948	148,127	—88.6	31,952
Steel ingot production	L. tons	90,120	110,688	—18.6	76,256
Pig iron production	L. tons	46,216	81,463	—43.3	50,657
Automobile production	No.	17,992	16,574	+8.6	5,774
Petroleum imports	gal.	128,446,000	159,615,511	—19.5	127,375,000
Carloadings	No.	219,242	235,109	—6.7	256,624
Exports	$	94,075,188	107,817,516	—12.7	102,718,779
Imports	$	63,303,669	80,669,072	—21.5	63,908,940

Coal Output Of N.S. Down

But Increase in Subvention Expected to Improve Situation

From Our Own Correspondent

HALIFAX.—Nova Scotia's coal output for the current year is estimated at about 5.7 million tons, over half a million ton drop from the 1937 output of 6.4 million tons.

Reduced output is attributed to the decline of Ontario and Quebec markets due to the closing of industrial plants during recession.

Hope now is that markets will be available next year for seven million tons. This is regarded as the minimum output to give living wages to the province's 13,500 mine employees. Maximum operation of the existing collieries would give an annual production of 10 million tons, a much larger output than has ever been marketed by Nova Scotia.

The increase from $1.50 to $2 per ton in the maximum federal subvention payable on N.S. coal shipped into Ontario for other than railway use is expected to open up markets for a half million tons of additional coal from this province.

Instead of coal companies handling the marketing themselves with assistance from the provincial mines ministry, it is now proposed either that a provincial fuel board be established, or that Ottawa be urged to enlarge the functions of the federal fuel board.

Distillers-Seagram Retire 1,300 Shares of Preferred

From Our Own Correspondent

MONTREAL. — Distillers-Seagrams purchased during November for retirement and cancellation on account of sinking fund, 1,300 shares of cumulative 5% preferred stock, according to H. F. Glass, secretary-treasurer. This reduces the outstanding number of preferred shares to 168,300 as at the end of last November.

Montreal Trust Co. Elects Executive Officers

From Our Own Correspondent

MONTREAL.—Montreal Trust Co. announce changes following upon the death recently of Hon. A. J. Brown, K.C., who was a director and vice-president.

Morris W. Wilson has been elected vice-president of the company; Julian C. Smith, a member of the executive committee and Geo. H. Montgomery, K.C., a director.

Changing Conditions

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Background of Business

Jap Bulbs Lose

Indirect Japanese costs of the war in China are serious losses of export markets. One example is electric light bulbs. Production of these cheap commodities has been almost paralyzed because raw materials involved are needed by the munitions industry. Tin, lead, rubber and shellac are all used in the manufacture of bulbs and also enter into sinews of war. Exports of bulbs in consequence this year have fallen 50% below the output of a year ago and even when the war ends and manufacturers increase production, exporters fear they will have trouble in recapturing the markets lost.

• • •

Australian Car Market

Immediate manufacture of complete automobiles in Australia has not been recommended by the Australian Tariff Board. As a step in that direction, however, the Board has recommended, and the Government approved, a bounty on all car radiators assembled in Australia.

The decision of the Australian Tariff Board is of importance to Canada because this country supplies a great many of the automobiles used in Australia. Most of these cars, however, are partly manufactured and almost entirely assembled in Australia. There is a substantial Empire preference.

• • •

Good N. S. Apple Sales

Probably stimulated by the fear of losing the British preference in the recently announced trade agreements, exports of Canadian apples to Great Britain reached record proportions during November and the heavy movement is still continuing.

Exports from Nova Scotia have been of particularly large volume, but in spite of this most of the fruit has met a good reception as satisfactory price levels have been maintained. Indeed the apple crop is the bright spot in Nova Scotia business this fall with an unusually large and clean crop.

So far there has been an increase of 35% in barrelled apples reaching the United Kingdom from Canada and a 42% increase in boxes. From United States there has been a reduction of 34% in barrelled apples but an increase of 56% in boxed fruit.

Contrary to somewhat general expectations the substantial United Kingdom preference on Empire fruit remains largely intact in the new agreement between the United Kingdom and the United States which goes into effect January 1.

Commodities

Commodities continue rather listless though recently some of the industrial lines, including rubber, copper and silk, have shown a little more strength. Canadian livestock prices after their recent rise, have steadied.

Everything will depend on the trend of United States business following the holiday season. This month the steep rise across the line has eased and it is possible that there may be some general slowing down in mid-winter.

	Latest week	Previous week	Same week last yr.
Cattle	$7.00	$7.00	$8.00
Hogs	9.50	9.50	9.00
Copper, lb.	.11¼	.11¼	.11
Cotton, lb.	.0866	.0868	.0832
Rubber, lb.	.1625	.1611	.1500
Sugar, raw, lb.	.0285	.0285	.0320
Silk, lb.	1.82	1.79	1.58½
Wheat, Man. (bus.)	.59½	.62	1.37⅝
Coffee, lb.	.05¼	.05⅜	.06¼
Hides	.11½	.11	.10½
Weekly Indices			
Canada (D.B.S.)	73.3	73.4	82.7
Do , Wood, Gundy	54.6	55.1	61.8
U. S. Labor	77.1	77.4	77.4
Dow Jones (future)	47.67	47.54	53.43
Crumps (Brit.)	71.3	71.1	77.4
Fisher's	79.8	79.8	83.9
Monthly Indices			
Canada (D.B.S.)			
Retail (Nov.)	83.7	83.8	84.2
W'sale (Oct.)	74.1	74.5	84.7
U. S. (Oct.)	77.6	78.3	85.4
Gt. Brit. (Sept.)	98.4	99.5	111.2

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar—96 degrees centrifugal c/f New York. Wheat—No. 1 man. North., Ft. W.-Pt. A. Basis. Hides—No. 1 packer light.

Foreign Exchange

AT TORONTO AND MONTREAL

U. S. Dollar	High	Low
Dec. 19	1.00 [illegible]	1.00 [illegible]
Dec. 17	1.00 [illegible]	1.00 [illegible]
Dec. 16	1.01	1.00⅞
Dec. 15	1.01	1.00⅞
Dec. 14	1.01 1/32	1.01
Dec. 13	1.01 1/32	1.00 [illegible]

U. K. Pound	Closing	Last Year
Dec. 19	4.72⅛	5.00⅛
Dec. 17	4.71¾	4.99⅞
Dec. 16	4.71½	4.99⅞
Dec. 15	4.72	5.00
Dec. 14	4.72⅛	4.99 [illegible]
Dec. 13	4.71⅝	4.99 [illegible]

Other Currencies, Dec. 19

Australia	3.78	India	.3533
Belgium	.1700	Italy	.0531
Czecho.	.0346	Japan	.2755
Denmark	.2108	Jugoslavia	.0235
France	.0266	N. Zealand	3.81
Germany	.4048	Norway	.2373
Greece	.0087	S. Africa	4.71½
Holland	.5486	Sweden	.2433
Hungary	.2000	Switzerland	.2264
		Hong Kong	.2949

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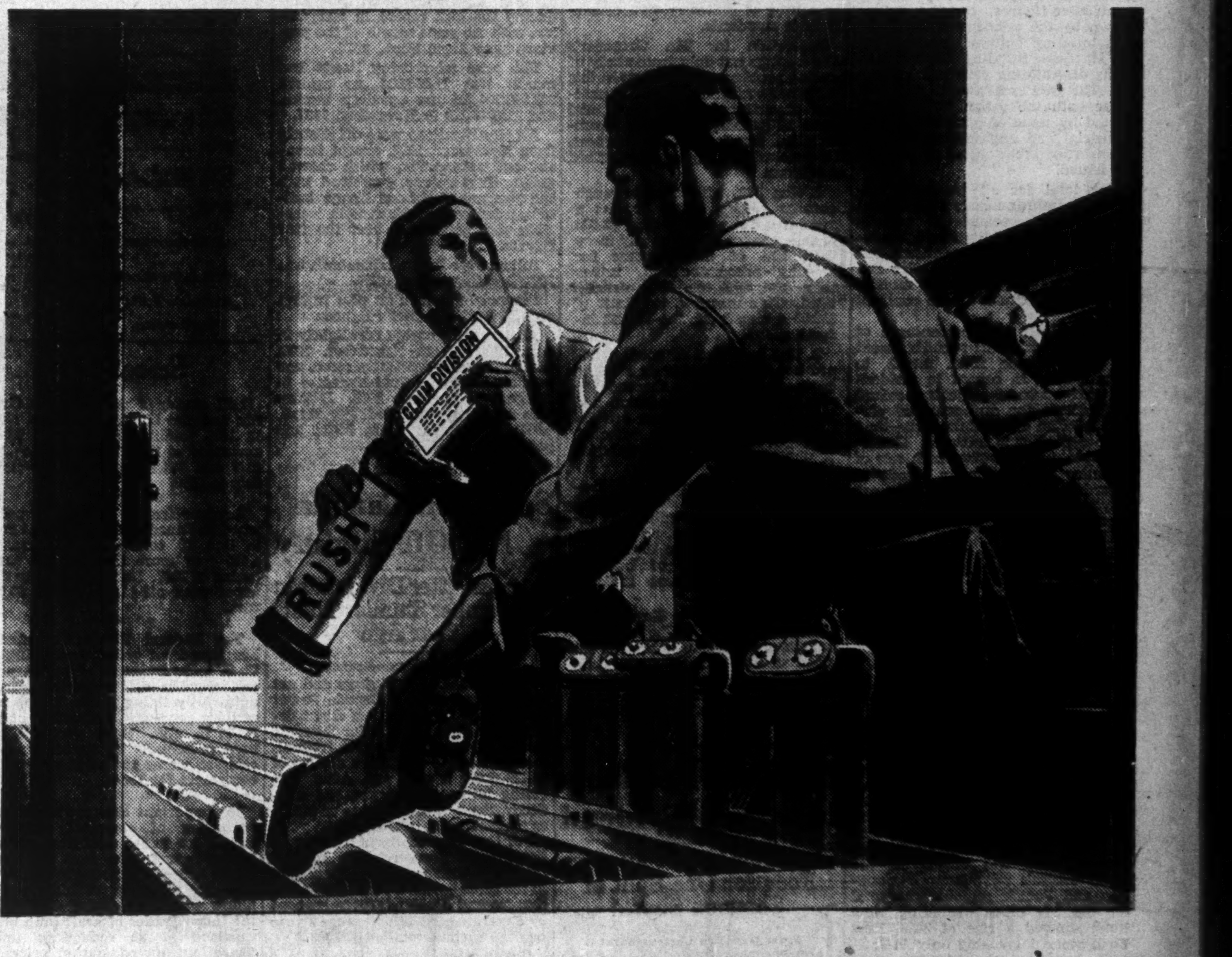

How a special envelope saves an hour in time of need

Every morning, into the mail room of the Metropolitan Life Insurance Company, pours a flood of mail equal to that handled by many a medium-sized city.

Among the tons of mail will be some 1200 to 1500 special envelopes marked "Claim Division." If it were necessary to open these special envelopes and classify their contents, at least an hour would be lost . . . at a time when every hour is precious.

But there is no need to open them. The special designation means that *someone insured in Metropolitan has passed away* . . . and that someone else is left behind, faced with the extraordinary and immediate expenses that always accompany death.

So the special envelope takes precedence over all incoming mail. Unopened, it is hurried to the proper department, where the claim, when verified, is *immediately* put through for payment.

That is one of the reasons why, in the vast majority of all death claims, Metropolitan is able to mail the insurance check on or before the second day following receipt of the claim.

Incomplete or inaccurate information accounts for nearly all cases of delay. Last year, less than one-third of 1% of the claims reached the courts. Legal defense was undertaken only when necessary to protect the interests of the other policyholders and beneficiaries.

The truth is that life insurance companies wish to pay every claim promptly. But competent management and system, as well as sound financial structure, are necessary to make that wish come true.

This is Number 8 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements will be mailed upon request.

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NEW YORK
Frederick H. Ecker, Chairman of the Board — Leroy A. Lincoln, President
CANADIAN HEAD OFFICE
OTTAWA

Construction

Urban Building Eases Slightly

But 11-month Total of Permits Ahead of 1937

Urban building activity in Canada showed a more-than-seasonal decline in November, total of permits issued in 58 cities dropping 51% below October and nearly 5% under the level of November last year.

As compiled by Dominion Bureau of Statistics, the November permit value was $4,687,296, compared with $9.6 millions in October and $4.9 millions in November, 1937.

The bulletin marked the first break in the succession of increases in the monthly permit totals reported by the D. B. S. since last May. This sustained upturn in volume converted a 25% decline in the cumulative total for the first few months of the year into an 11% rise for the 10 months ended Oct. 31. However, the aggregate for the 11 months ended with November still stands about 11% above the same period in 1937, and the total for the full year should hold at 10% or better above last year unless December shows a more marked decline than last month.

Highest Since 1931

The value of permits issued during the first 11 months was $57,384,055, compared with $52.3 millions in the January-November period of 1937. The 1938 figure is the highest since 1931 ($104.3 millions) but is less than 40% of the total in the first 11 months of 1926 and only one third of the 1927 volume of $172.8 millions. The 1928 and 1929 totals were, of course, the highest on record, but the 1926-27 activity is regarded in the industry as desirable "normal."

The falling off in November was traceable mainly to continued lag in the permit totals in Toronto and Vancouver, in comparison with last fall and early winter. In both centres, permit values were at high levels at this time a year ago. In Montreal and Winnipeg, increases were shown in the November figures.

The trend of the building permit totals coincides, especially in the cumulative figures, with the picture shown by the residential and business building volume embraced by the MacLean Building Reports bulletins on building contracts awarded. The contract award statistics cover both the urban building reflected by issue of permits and the industrial and engineering projects in unsettled areas where no permits are issued.

The total for all types of contracts is running nearly 18% behind 1937, largely because of curtailment in road building, bridge construction and factory erections. But the 30% upturn is residential and business building in recent months has been a feature of the contract reports.

The totals and percentages of contract awards and permits issued do not coincide from month to month, even in regard to residential and business projects, because applications for and issue of permits is often delayed for some time after a project is initiated. Generally speaking, however, both sets of statistics reflect similar trends in regard to urban building from year to year, and both promise to show encouraging rises for 1938 in urban building.

The all-inclusive total for contracts will likely show a drop of 15% or more for the full year, but this will be traceable entirely to shrinkage in industrial and engineering types of projects.

Building in U. S. Cities Rises Over 11 Months

Upswing of urban building in the United States was continued into November, it is shown by the monthly Dun & Bradstreet report on building permits issued in 215 American cities. Value of November permits in the centres covered amounted to $89.6 millions, an advance of nearly 29% over the same month last year. The increase was chiefly in the south central, west central, mountain and Pacific regions. The total for the 214 cities excluding New York showed a rise of 34%, New York alone increasing only 14%.

The cumulative total for 11 months is reported at $1 billion $57 millions, representing an upturn of 4.5% over the same period in 1937. This advance is accounted for entirely by the exceptional volume of building in New York earlier in the year. For New York alone, the 11-month increase is 48.5%; for the remaining 214 cities, the cumulative figure shows a drop of 8.5%.

Ramsden Park Apartments Cuts Net Loss For Year

A net loss of $2,727 is reported by Ramsden Park Apartments for the year ended Oct. 31, 1938, as compared with $3,010 in the preceding year.

An operating profit of $5,118 is shown for 1938, but after payment of 3% interest on $155,000 of the first mortgage bonds outstanding and depreciation on the property at the rate of 2½%, a net loss was incurred. In 1937 an operating profit of $3,325 was shown.

Deficit account of the company was increased to $4,390 from $3,195.

On Dec. 1, 1938, the company made a payment of 3% on the first mortgage 5% income bonds.

Fleet Aircraft Net Should Equal 70c a Share

From Our Own Correspondent

MONTREAL.—Fleet Aircraft earnings for 1938, based on returns to October 31, are expected to amount to $63,000 or 70 cents a share on the outstanding common stock. Prospects for the future are stated to be most encouraging.

Orders have been received for the Fleet "Freighter" and the domestic and foreign business for training planes in sight is said to be satisfactory. In addition company will participate in an order for bombing planes for the British Government.

Construction World

Plywood House

An interesting and suggestive demonstration of economical building methods was recently completed at South Vancouver, where two model houses were built to educate the public to the wider use of British Columbia plywood in house construction. Of a modified modernistic design, the houses were built at low cost largely through generous use of plywood as sheathing for walls, sub-floors, roof decks, as well as for wall and ceiling panelling. Advantages claimed for this method of construction include speed of erection, strength and permanence of walls, high insulation and acoustical efficiency, crack-free walls.

Also used in the houses were flush-type plywood doors, cedar shingles, and exterior walls of cedar siding.

* * *

Model Code

With the National Building Code Committee still in the midst of its labors at Ottawa, the Ontario fire marshal's office has stepped forward to fill the need for a standard form of building regulations for smaller centres desiring to bring their code up to date. As far as can be determined, the Ontario draft is not intended to forestall and will not affect the value of the national model code when the latter is finally issued. The national code will provide a standard of desirable minimum of regulations covering all phases of building, while the fire marshal's draft is specially designed to reduce fire hazards, and assist municipalities having no special department to control building operations. Copies of the Ontario code have been prepared for distribution by the National Sewer Pipe Co. to centres without any regulations at present or with codes in need of revision in the light of modern practice.

* * *

Housing Standards

Commanding of attention is the point of view of Mayor A. K. Grimmer of Temiscamingue, Que., on the question of providing adequate and economic housing for wage earners, especially those in the lowest income brackets. The gist of Mayor Grimmer's contentions, as outlined in an article in the Municipal Review for November, is that a major obstacle to practical development of rental housing for such groups is the setting of arbitrary, unnecessarily high standards.

Inspiration for Mr. Grimmer's view springs not only from study of housing problem and projects in this and other countries, but from practical experience as a builder and renter of housing, including accommodation for low-income earners. His conclusions may be summarized as follows:

1. The 24% of Canadian wage earners getting $1,000 or less a year, if not the 60% getting $2,000 or less, cannot afford to pay more than 15% of their income for housing accommodation, rather than the 20% or 25% usually cited. This means a top limit of $12.50 a month for the lowest income group.

2. The provision of good standard housing on this basis is being blocked by blind adherence to standards of accommodation and house-fitting higher than are demanded by the group affected, higher than are required to house them decently.

3. Even if standards of low-cost and low-rental housing were reduced to absolute minimum essentials, construction on an economic basis would be blocked by unduly high costs of building materials and present building methods.

4. The Dominion Government should establish a housing research organization to answer the need of low-income earners for housing at prices they can afford, to study both housing standards and reduction in cost of housing production.

Building Products Increases Dividend

Shareholders Approve Four for One Split of Common Shares

From Our Own Correspondent

MONTREAL.—Following approval by shareholders of the proposal to split the common shares of Building Products Ltd. four for one, directors of the company announced an increase in the common dividend rate.

A dividend of 17½ cents a share plus an extra of 10 cents a share on the new stock has been declared payable Jan. 3 to shareholders of record Dec. 21. This is equivalent to 70 cents a share plus 40 cents a share on the old class A and B shares. Thus, total dividend payments out of 1938 earnings will amount to $2.60 a share, compared with $2.45 a share in 1937.

70 Cents Annually

With the declaration of the 17½ cents dividend the new common shares are placed on a regular dividend basis of 70 cents annually. This is equivalent to $2.80 a share on the old class A and B shares. The regular dividend rate on the old shares since Oct. 1, 1937, has been $2 a share annually.

Earnings in 1937 amounted to $3 a share on the class A and B stock. Profits in 1938 are expected to show little change.

In future the company's capitalization will consist of common shares only. In the past the company has had class A and class B shares which ranked equally except in voting power. The voting control of the company was held by the class B shares. All common shares are now to have equal voting rights. The new capital will consist of 483,484 common shares.

Public Utility Earnings

Mexican Light and Power

October:	1938 $	1937 $	Decrease $
Gross earn. ..	628,964	776,057	147,093
Oper. exp. ..	523,473	543,497	20,024
Net earn. ..	105,491	232,560	127,069
Ten Months:			
Gross earn. ..	6,784,558	7,400,131	615,573
Net earn.	1,637,675	1,999,303	361,628

Pulp and Paper Industry

Surplus Stocks Continue Downward

Operators Enter '39 With Paper Supply on Healthier Basis

From Our Own Correspondent

MONTREAL. — Further though moderate improvement is noted in the North American supply of newsprint paper as at the end of November. Preliminary returns now indicate an available supply of 665,126 tons, as against 688,899 tons at the close of the previous month and with 877,519 tons at the beginning of the year.

In a sense the returns from the publishers are disappointing in that there has been no material change in supply during the last three months. This, however, is explainable by seasonal operations in that the publishers stock up during the closing months of navigation. Consequently the draw-down from surplus stocks has been offset by the deliveries.

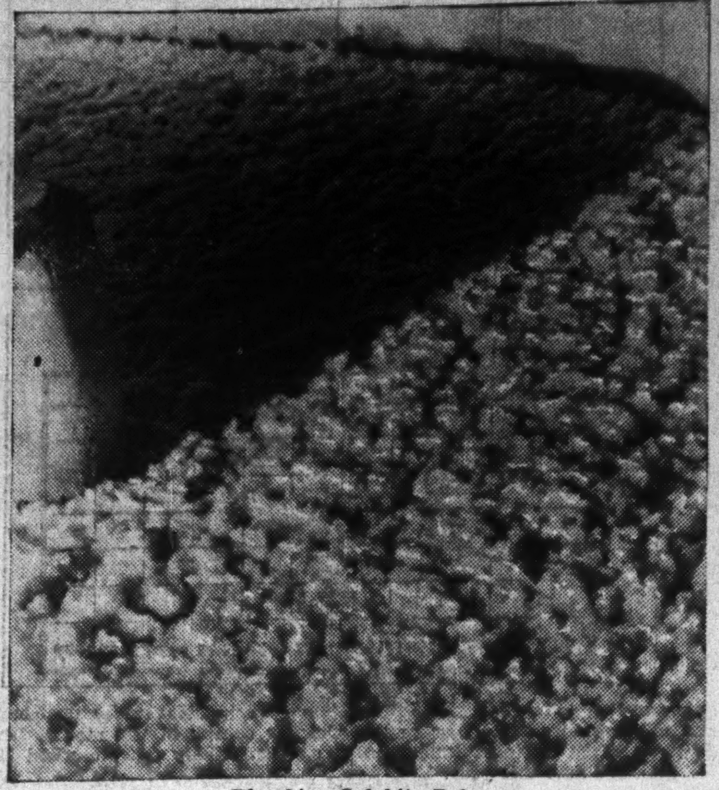
Needs Are Maintained

During November the apparent consumption of newsprint in the States, based on the returns of the American Newspaper Publishers Association, was 299,150 tons. This contrasts with 319,753 tons in Oct., 1938, and with 306,091 tons in November last year.

The drop in actual consumption during November as compared with the previous month is not due to a smaller demand but simply to the shorter months. For example October had five Saturdays, whereas November only had four.

Operators' Stocks Down

While the publishers' reserve stocks have not shown any decline since last August, the manufacturers have been making inroads in their stocks. From a high point in May of 294,949 tons (when stocks were built up for the opening of navigation) the supply was reduced to 245,415 tons at the end of last month.



Bleaching Sulphite Pulp.

Since August the publishers' supply has dropped only 17,732 tons, whereas the mill supply has fallen off 36,394, making for an aggregate decline of 54,126 tons.

The trend of stocks at the end of each month over the last 12 months follows:

	Pub.	Mfrs.	Total
1937: Dec.	766,893	110,626	877,519
1938: Jan.	697,353	185,181	882,534
Feb.	629,576	232,220	861,796
Mar.	548,630	285,004	833,634
Apr.	510,905	279,325	790,230
May	472,571	294,949	767,520
June	436,696	287,443	724,139
July	429,541	272,580	702,121
Aug.	437,443	281,809	719,252
Sept.	419,796	271,892	691,688
Oct.	419,989	268,910	688,899
Nov.	419,711	245,415	665,126

Surplus for 1939

Preliminary indications point to a further improvement in surplus stocks during December. Obviously unless there is a very marked change, both the operators and publishers will carry over a surplus of paper into 1939.

The possible oversupply at the end of the year is difficult to estimate with any degree of accuracy. Various bases are available as to what constitutes a "normal" supply. Whatever the "surplus" is, it will not be nearly so heavy as at the beginning of the year.

Better Times Ahead

In the last 11 months the North American supply has been reduced by 212,393 tons. This has been taken off the market at the expense of current operations. However, it leaves the industry in a better position in so far as operations in 1939 are concerned.

The "drag" of surplus stocks will continue into next year, but it will not be nearly so pronounced as in the first half of this year. Consequently with no further drop in publishers' requirements (the trend of late has been upward) mill operations should be on a more favorable basis.

U. S. Advertising Gains in November

Better Trend Noted — Declines Small Compared With 1937

From Our Own Correspondent

MONTREAL.—Newspaper advertising linage in 52 American cities, as compiled by Editor and Publisher from Media Records measurements, came back in November to within 5.3% of November, 1937, thus producing the best record in comparison with the same month of the previous year since Sept., 1937.

The total advertising linage last month was 11,456,806, as against 113,558,284 in the previous month, and 119,746,218 in November, 1937.

All classifications were off slightly from November, 1937, except financial and automotive, which showed gains. This upturn, combined with the present Christmas linage indicates a better December, with a possible plus percentage over the 1937 figures.

Automotive linage last month was 100.2% of November, 1937.

Financial retained its plus ratings at 105.3% of last year's figures.

Although they were off slightly in percentages from November, 1937, display, retail, department store, and general, showed actual increases in linage over October, 1938. Display was off 4.8%, classified 7%; retail, 4.9%; department store, 5.3%; and general, 7%.

Southern Canada Net Off Slightly

Surplus After Dividends in November Smaller Than Year Ago

From Our Own Correspondent

MONTREAL.—Both gross and net earnings of Southern Canada Power Co. for November show a slight decline from that reported for the same month a year ago. Revenue from all sources totalled $202,236, a decline of $8,826 from a year ago. After providing for senior charges, and dividends, there was a surplus of $1,119, as against $9,923 in Nov., 1937.

For first two months of the current fiscal year, gross revenue totalled $400,847, which was $12,280 less than in the same period a year ago. Senior charges and dividends were covered by a margin of $1,191, whereas a year ago the surplus totalled $15,503.

Comparative figures follow:

November	1938 $	1937 $
Gross income	202,236	211,062
Oper. expenses	91,131	90,637
Net revenue	111,105	120,425
Interest, deprec., divds., etc.	109,986	110,502
Surplus	1,119	9,923
2 Months Ended November		
Gross income	400,847	413,127
Oper. expenses	180,028	177,473
Net revenue	220,819	235,654
Interest, deprec., divds. etc.	219,628	220,151
Surplus	1,191	15,503

Shareholders at the annual meeting approved the financial statement for the year ended Sept. 30, 1938, and re-elected the board of directors.

New Building

Carnation Co. is planning to start in March on erection of $250,000 evaporated milk factory at Sherbrooke, Que.

Fleet Aircraft Ltd. has awarded contract for construction of $125,000 addition to its plant in Fort Erie.

Safeway Stores Ltd. is reported negotiating for site for new $50,000 store unit at Regina.

Boeing Aircraft of Canada Ltd. is planning $300,000 aircraft factory at the Sea Island airport, Vancouver, providing satisfactory arrangements can be made with city authorities for lease of a suitable site.

Imperial Oil Ltd. has awarded contract for construction of $300,000 bauxite oil treatment plant at the company's Regina refinery, and shortly will start construction of $125,000 addition to the cracking plant.

Larder Lake Theatres Ltd. plans to start work soon on construction of $200,000 theatre and store building in St. Catharines, Ont.

Reported by Engineering and Contract Record:

Dominion Dept. of Public Works has awarded contract for $273,000 programme of improvements to harbor at Dingwall, N.S.

Kingston General Hospital is considering $430,000 programme of improvements and extensions, including $200,000 children's unit and $100,000 extension of T. B. wing.

Fruitatives, Ltd., Ottawa, plan early start on construction of $50,000 factory building on Aylmer Road, Hull, Que.

Newsprint Picture To Date

	November 1938	November 1937	Year to Date 1938	Year to Date 1937
Production				
In Canada	245,295	302,878	2,414,827	3,354,405
In Newfoundland	29,644	27,025	241,649	324,887
In U. S. A.	78,390	80,264	744,200	866,066
Total	353,329	419,167	3,400,676	4,545,358
Shipments				
From Canada	264,421	357,240	2,290,524	3,309,264
From Newfoundland	36,125	46,457	236,760	315,284
From U. S. A.	76,278	83,887	738,603	856,138
Total	376,824	487,584	3,265,887	4,480,686
Shipments from Canada				
To U. S. A.	203,646	273,985	1,704,036	2,615,623
To Canada	15,957	21,377	144,002	191,930
Total	219,603	295,362	1,848,038	2,807,553
To Overseas	44,818	61,878	442,486	501,711
Total	264,421	357,240	2,290,524	3,309,264
Shipments to U. S. A.				
From Canada	203,646	273,985	1,704,036	2,615,623
From Newfoundland	5,861	12,531	52,500	100,128
Total	209,507	286,516	1,756,526	2,715,751
From U. S. A.	76,230	83,870	738,321	851,608
Total	285,737	370,386	2,494,857	3,567,360
Shipment to Overseas				
From Canada	44,818	61,878	442,486	501,711
From Newfoundland	30,208	33,864	183,745	214,616
Total	75,021	95,742	626,231	716,327
Stocks: North America			1938	"Normal"
All Manufacturers: End of Sept.			271,892	280,762
End of Oct.			268,910	267,419
End of Nov.			245,415	*238,546
U. S. A. Publishers: End of Sept.			419,841	341,112
End of Oct.			419,989	338,541
Aggregate Total: End of Sept.			691,733	621,874
End of Oct.			688,899	605,960

*Preliminary.

Screenings

Mill stocks of newsprint in Canada and the United States on Nov. 30, 1938, totalled 197,859 tons. They amounted to 128,771 tons on Nov. 30, 1937 and 154,710 tons on the same date in 1936.

* * *

Revenue freight loadings of pulpwood in Canada for the current year to Dec. 10, totalled 80,811 cars, or 4,475 cars more than in the same period of 1937. Loadings of pulp and paper were off 41,979 cars at 85,079 cars.

* * *

The Federal Trade Commission has issued an order prohibiting 17 U. S. manufacturers of paper, pulp and wooden dishes or trays from unlawfully fixing prices for the sale of their products in violation of the F. T. C. Act. Such products are used principally by groceries, delicatessen stores and meat markets as containers for foods.

* * *

No important changes in demand or prices of chemical pulp are looked for in the American market in the near future, says the Paper Trade Journal. Prices are relatively firm for all types of high quality pulps, with a few sales of some of the lower grades of kraft pulp being reported at $2 reductions under prevailing quoted market prices.

* * *

Free entry of cores contained in rolls of newsprint was recently disallowed by the New York City Collector's office on the claim they are dutiable.

* * *

The 431 newspapers reporting to the A. N. P. A. in November had 43 days' supply of newsprint on hand, including stocks on hand and in transit. At the end of November last year stocks were equal to 68 days' supply and on the same date in 1936 equal to 28 days' supply.

* * *

Imports of newsprint into the States from Europe for the first 10 months of 1938 totalled 193,720 tons, a drop of 18.6% from the same period of 1937. Imports from Canada during the same comparative period dropped 33.1% and from Newfoundland 47.3%.

R. F. C. Head Backs Southern Pine Mill

From Our Own Correspondent

MONTREAL. — Reconstruction Finance Corp. is prepared to make further loans to eligible firms contemplating the manufacture of newsprint paper from Southern pine, according to a statement made by the chairman, Jesse Jones, to the New York World-Telegram.

He said that he regarded the manufacture of paper from second growth timber as of great benefit to cut over timber areas. "The R. F. C.," he added, "already has authorized loans to at least two firms for that purpose, the most recent being a $3,425,000 commitment to the Southland Paper Co., Lufkin, Texas.

Paper Box Industry Produces $30 Millions

The paper box and bag industry in Canada produced to the value of $30 millions in 1937, compared with $25.6 millions in 1936. Largest item in the value of production was corrugated boxes amounting to $10 millions, followed by folding boxes with $6.1 millions and set-up boxes with $4.6 millions.

The industry used paper and paperboard valued at $14.4 millions, 84% of the total value of materials employed. All materials used in the paper box and bag industry in 1937 amounted to $17.1 millions against $14.3 millions in 1936.

There were 147 plants operating in the industry in 1937, a gain of six from 1936. Ontario had by far the most with 86, followed by Quebec with 38, British Columbia nine, Manitoba seven, New Brunswick three, Nova Scotia two and Saskatchewan and Alberta one apiece. These concerns increased their capital investments from $20.9 millions to $23.4 millions.

Restigouche Pulp Sale Only Rumor

From Our Own Correspondent

MONTREAL.—Report that the Restigouche Co., subsidiary of Fraser Companies, was about to sign up a two-year pulp contract with a Canadian buyer, is officially denied.

There has been major change in the position of Fraser Companies of late. The rayon market continues dull, the buyers having heavy stocks on hand, while the Japanese situation still affects the market.

While there has been no spectacular change in the paper division, still the company has a good volume of business on hand and the outlook appears satisfactory.

The company's lumber business continues quiet. During the period of international unsettlement there was a sharp pickup in trade.

Canada Paper Sells Power Unit

Sherbrooke Buys Property to Take Care of Larger Needs

From Our Own Correspondent

MONTREAL. — Sherbrooke has completed an arrangement with Canada Paper Co. whereby it will acquire the Ulverton power development on the St. Francis River—with a potential capacity of 15,000 h.p.

The construction of the dam, power house and the installation of the necessary machinery, will cost some $825,000.

It is tentatively planned to make provision for the development of 15,000 h.p. although only two units of 5,000 each will be installed at the outset. The capacity of the city's present plant is 20,000 h.p., and the new development will bring the total available up to 35,000 h.p.

The agreement between the city and Canada Paper Co. provides that the latter will contract for 3,000 h.p. with a secondary supply of a further 3,000 h.p.

Price Bros. and Co. Sells Limits to Canada Paper

From Our Own Correspondent

MONTREAL. — Price Bros. and Canada Paper are reported to have entered into an agreement, whereby Price Bros. have sold to Canada Paper their limits in Montmagny county for an amount said to be $200,000.

The limits have been in the possession of the Price Co. for a number of years, but had not recently been operated, as they were not required for their own operations. Price Bros. still retain large holdings in this region.

C. I. L. Pays $1.50 For Final Quarter

From Our Own Correspondent

MONTREAL.—For the final quarter Canadian Industries has declared a dividend of $1.50 a share on its class A and B stock, payable Dec. 23 to shareholders of record Dec. 15. In the previous quarter the company paid $1.25 a share and in the fourth quarter of 1937 it paid $2.75 a share.

This brings total payments for the current year to $6 a share, compared with $7.50 a share for 1937. The reduction in dividends reflects lower earnings in the current year. In 1937 the company earned $7.86 a share on its common stock.

Sir Edward Beatty, president of the Canadian Pacific Railway, has been elected a director of Canadian Industries, filling the vacancy of the board caused by the resignation of H. J. Mitchell, of London, Eng.

Crown Zellerbach Corp. Profits Under Last Year

From Our Own Correspondent

MONTREAL.—Crown Zellerbach Corp. and subsidiaries, report a net profit of $2,338,606, after all charges for depreciation, depletion, interest and taxes and with allowances for minority stockholders' proportion of the net profit of Pacific Mil according to the report for the months ended Oct. 31. In the co responding period last year $4 440,801 was earned.

Results for the past half year we equivalent to 44 cents a share on th outstanding common stock, an compare with $1.37 a share in t same period of 1937.

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Turner Valley Oil Now Facing New Era

As Alberta Field Proven One of Great World Pools, Sales Outlook Brightens

By **RONALD McEACHERN**
Staff Writer, The Financial Post

Where does the Alberta oil situation stand now?

Is there still any real Alberta oil "problem"?

Has Canada's richest new natural resource yet got into long pants?

Events, filled with significance for the Canadian petroleum-producing industry, have moved swiftly in the past few months.

This year, Alberta's crude oil production will be worth around $11 millions. Last year, Alberta's crude was worth less than $5 millions. For 1936, the first year crude was found in Alberta, the value of production was only $3 millions.

As Alberta oil men end their greatest year, what is ahead of them for 1939? What is ahead for Alberta oil stocks?

Here are major events of the past year's oil business.

Turner Valley field has been enlarged, probably three or four times, and is now definitely established as one of the great oil fields of the world.

Development of other oil structures has been very encouraging.

Conservation legislation has been enacted and a conservation programme set in motion that is seemingly efficient and enforceable.

Support of virtually all oil operators for the conservation programme has now been won.

Events in Europe and the new preparedness programmes of the British and Canadian governments have given oil reserves a political significance which for many years they did not enjoy.

Those facts have now brought Alberta oil companies smack up, face to face, with one fundamental problem — marketing.

Just One Problem

Up until now, although there has been a lot of talking about it, marketing has been, to a large degree, an as, if and when problem.

Proration has appeared to curtail production and the reason for it has been popularly believed to be the inability of the available market to consume more. But as The Financial Post has frequently pointed out, the real reason for proration is to run wells at their most efficient speed, to provide for the longest possible life for the field and to put all operators, the thrifty and the thriftless, on a fairly even competitive basis.

Turner Valley has been at the awkward age. It was producing enough oil to create an embarrassing marketing problem, but not enough oil to convince businessmen that vast capital outlays to solve that marketing problem were justified.

The coming in of the Home No. 2 well in the northwest corner of the Turner Valley field is the event which, almost overnight, has transformed the Alberta Oil outlook.

Formerly a rich and promising but smallish and long mishandled field, Turner Valley now becomes one of the largest fields in the world. Indications are that Home No. 2 is going to be one of the largest wells and perhaps the largest producer in Alberta. Drilling is to be resumed to explore a lower strata of porous limestone. If the lower strata proves even half as productive as the higher, the productive possibilities appear stupendous.

But the real significance of the Home No. 2 success is that it proves up thousands and thousands of acres in this northwestern section of the field, multiplying the size of the field several times. Dr. G. S. Hume, government geologist, states in a recent report that surface indications point to the structure continuing northwest beyond Home No. 2. Geologists affirm that conditions over the 10 to 12 miles separating Home No. 2 in the north and the busy south end of the field with its scores of wells indicate that there is much to hope for from this intermediate section.

Very important, too, is the fact that this north end of the field is showing enormous gas pressures. Hence, the crucial state of gas pressures in the southern end of the field, where wanton waste has gone on for 20 years, will not handicap the producers who make wells in new sections of the field.

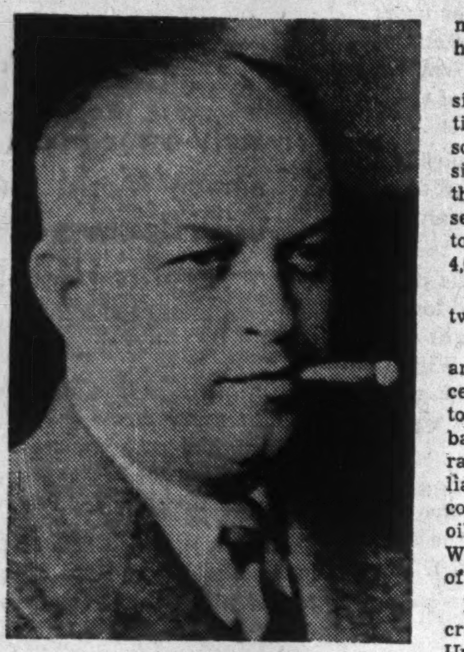
A Paradox

How does getting more oil point to a solution of the marketing problem?

During 1938, Turner Valley could produce, at an economical rate, roughly enough to supply the immediate market, Alberta, Saskatchewan, Manitoba and the eastern part of British Columbia.

This section of Canada is using more petroleum products every year, but last year its gasoline needs alone were around 410,000 gallons or roughly 19,000 barrels per day. During the 1938 harvest, when demand for gasoline was at its height, Turner Valley wells were producing around 28,000 barrels per day and that is now generally admitted to have been about all they could then produce on a day after day, month after month, basis.

But as the Alberta oil industry enters 1939 it can aspire to bigger things. This



W. F. Knode is head of Alberta's conservation board.

week it is estimated that the effective potential production from Turner Valley is around 35,000 barrels per day, and the way the new Home No. 2 is performing, it would seem likely that that figure will increase rapidly. Such production, therefore, is very definitely far beyond the capacity of the immediate market to consume.

This week there are some 47 wells actively drilling with around 20 others standing for various reasons. Of these some 26 are going down on proved ground, some 21 on wildcat ground.

In addition there are other wells planned and in view of recent developments in the field it can be confidently predicted that by summer time there will be many more wells going down, especially in that northwest corner where Home No. 2 is located.

The other angle to this question is—how many of the wells which are today producers will still be running by midsummer? Because of the phenomenal productive closure of Turner Valley and because of the conservation programme now in operation, well-informed quarters have assured me that nearly all today's producers will still be going by midsummer, most of them, of course, to continue production much longer than that.

Production Increase

How much the daily effective potential of Alberta oil wells will be by August it is impossible to estimate. From present indications, however, two or three times the present figure seems quite probable.

All of which means that the marketing problem assumes in coming months an immediate and categorical importance. It means that business can begin making plans to spend millions to market this oil at a profit.

How can oil be marketed?

The crude producers say: Oil found anywhere in the world has always been marketed once the reserves of the field have been established.

The most pessimistic on, the other side, point to geographical and population problems which they fear are insoluble. They point to Canada's coal situation. One man calculated that, on the basis of Canada's known coal reserves and on his requirements of 15 tons per winter, that it would take him 4,000 years to burn his share.

Explore the ground between those two extreme points of view.

The Alberta crude producer now gets around $1.24 per barrel. He pays 15 cents pipe-line charges from wellhead to Calgary and another five cents per barrel for handling charges. Ordinary railroad rate from Calgary to Fort William would be around $5 per barrel. It costs somewhere around 12 cents for an oil tanker to take the crude from Fort William to Sarnia. That makes a total of $6.56 per barrel.

But the crude buyers are now getting crude from mid-continent fields in the United States laid down at Sarnia for something less than $1.75. Furthermore, with the development of the central Illinois field—just beyond Sarnia's doorstep—vast supplies of crude are available at a cost lower still.

Representatives of the Alberta oil industry are now negotiating with the railroads with a view to securing a lower freight rate. President Beatty, of the C.P.R., which controls rail traffic in southern Alberta, has frequently made it clear that he considers the U.S. railways were asleep in holding rates at a figure which opened the way for pipe lines. Today, United States has over 110,000 miles of oil pipe line, and President Beatty credits pipe lines with some measure of the blame for present condition of U. S. rail financial structures.

Just a year ago, substantial freight reductions were granted oil producers. This rate, effective from the wells to all refining points in Manitoba, Saskatchewan and Alberta, was a reduction of 60%. To meet the threat of pipe-line competition, the railways granted a further reduction of around 28% on the rate from the field to Moose Jaw and to Regina, the refining centres.

How far the railways would consider extending these rate concessions, and whether further actual reductions would be made, is not yet apparent.

The Canadian Pacific Railway has another very material interest in Alberta oil development through its ownership of many thousands of acres acquired as land granted at the time the transcontinental was being built. Most of this ground is still an unknown quantity with regard to oil possibilities, but it is interesting that C.P.R. gets a 12½% gross royalty on all production from the Home No. 2 well and will presumably collect royalities when wells are put down on adjoining ground.

Government Aid

Government aid for oil marketing is another possibility.

In the past, governments everywhere have been usually alert to protect and foster an infant industry which promises great wealth for the nation.

Turner Valley is now established as one of the great oil fields of the world.

There is the Maritime Freight Rates Act of 1927 which grants special rates on freight from that area.

There are the coal transportation subsidies. On coal coming from Alberta and British Columbia to points further east than Fort Frances in Ontario, the Government pays a transportation allowance of $2 per ton. Other and smaller allowances are granted on coal going from Nova Scotia to Ontario and Quebec, from Saskatchewan coal shipped to Manitoba, and on B. C. coal sold as fuel for ships' stores and for export to foreign countries.

On wheat there is the special freight rate granted on western export wheat and a further subsidy serving essentially the same purpose is the 30-cent per bushel minimum guarantee.

Political considerations, of course, rank high in the granting of this type of subsidy. Some observers think the Government will feel that it has done enough for the West with its wheat subsidies.

But, as already pointed out, a new aspect has arisen, defense and preparedness. The British Government is doing, and the Canadian Government says it is planning to do, things in which economic considerations are completely outweighed by the political.

Oil reserves are fundamentally linked with preparedness. As pointed out in an article some weeks ago, Britain's oil situation is very grave. Last year, British Empire oil fields produced only 2.07% of the world's total. Britain herself has to import, or buy from sources outside the Empire, 95% of her oil needs.

Because of the handicap oil needs place on all her policy, the interest currently evinced by official Britain in Alberta oil potentialities is very natural. That this interest will, in the future, assume more concrete form is to be expected.

Rail Hope Low

Could a pipe line materially lower that laid-down cost at Sarnia?

Cost per barrel of crude through a pipe line from Calgary to Fort William and thence by oil tanker down the lakes to Toronto has been estimated at $2.15 per barrel. Estimated cost of oil pipelined to Vancouver on the same basis would be $1.85.

With these factors in mind and doubtless with a view to making their city the centre of a great new industry, the Vancouver Board of Trade Mining Bureau has just completed a comprehensive survey of the problem of marketing Alberta oil.

The study is the joint work of Gardner S. Eldridge, chairman, F. E. Burke, A. D. Creer, H. W. Ellis, Victor A. MacLean, Howard T. Mitchell, D. C. Rundle and W. A. Rundle.

The conclusion of this study states: "The route to Vancouver, with its shorter haul and its accessibility to world markets, should be considered to be the natural outlet for Alberta oil, and any effort to move the product eastward on an uneconomic or less economic basis should be discouraged."

Inference of the report is that the committee saw little possibility in the near future of Alberta oil being economically marketed in the East.

The report also promptly disposes of any hope that oil could be economically marketed at Pacific tidewater by means of rail transportation.

Advantages of Coast

On the basis of probable pipeline rates, it states, "a barrel of Alberta crude oil could be delivered in Vancouver for an estimated cost of 45 cents as against 75 cents by pipeline to Port Arthur and tanker to Sarnia. On this basis the all-inclusive pipeline cost of Alberta oil in Vancouver would be $1.85 per barrel as against $2.15 in Toronto.

"If transported by rail from the field and given a rate equivalent to the present special rate of 20 cents per 100 pounds on wheat, crude oil from Turner Valley would be landed in Vancouver for 56 cents a barrel or a cost of $1.76 per barrel, plus a charge for collection at a central railway point." (This collection charge is currently around 20 cents).

The report points out that to bring oil of comparable quality by sea from California to Vancouver makes a per barrel cost of $1.86 to $1.91.

The two main pipeline propositions now being studied by engineers are: a line from Calgary to Vancouver, 650 miles. Calgary is at 3,400 feet, the highest intervening point being at Stephen, B.C., 5,337 ft. The gradient from there to the sea favors economical transportation.

The other proposal is from Calgary to Port Arthur, a distance of 1,200 miles through relatively easy country, generally "down-hill." From Port Arthur, of course, to Sarnia, an oil tanker run, the distance is 585 miles, or to Toronto, by tanker, 850 miles.

"There are no insurmountable engineering difficulties" on the Vancouver to Calgary pipeline, A. D. Creer, an engineer, states in his section of the Board of Trade report.

He points out that the distance from Edmonton to Vancouver on the C. N. R. route is 770 miles, but the grades are more favorable than the Calgary-Vancouver route. "With the possibility of the oilfields extending north and the fact that Edmonton is some 1,250 feet lower than Calgary and might make a better collecting point, the advantages of this route should not be lost sight of."

$20 Millions

"On the limited information and data available," Mr. Creer writes, "I estimate the cost of an eight-inch pipeline from Vancouver to Calgary, with a capacity of 30,000 barrels per day at $20 millions."

Based on carrying charges on United States pipelines, Mr. Creer "suggests a rate of 45 cents a barrel would be reasonable. This would give a gross annual revenue of $4 millions and with interest and depreciation charges at 10% would leave $2 millions for other operating expenses—a figure which gives a very ample margin for any possible contingencies."

On this basis the cost of Alberta crude, laid down at Vancouver, would be field price, $1.20, gathering charge 20 cents, pipeline charge, 45 cents, a total of $1.85 a barrel.

This rate of 45 cents a barrel, Mr. Creer says, is equivalent to a rail rate of 15 cents per hundred which is 25% less

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Market Leaders — No. 9

Shawinigan Widens Its Power Frontiers

By **JOHN LANGDON**
Eastern Editor, The Financial Post

Shawinigan Water & Power Co. is the fourth largest distributor of electrical energy in the world and third among the privately-owned systems. It accounts for over one fifth of all the hydro-electric power generated in Canada.

While known primarily as a producer and distributor of hydro-electricity, Shawinigan's ramifications extend far beyond the original conception.

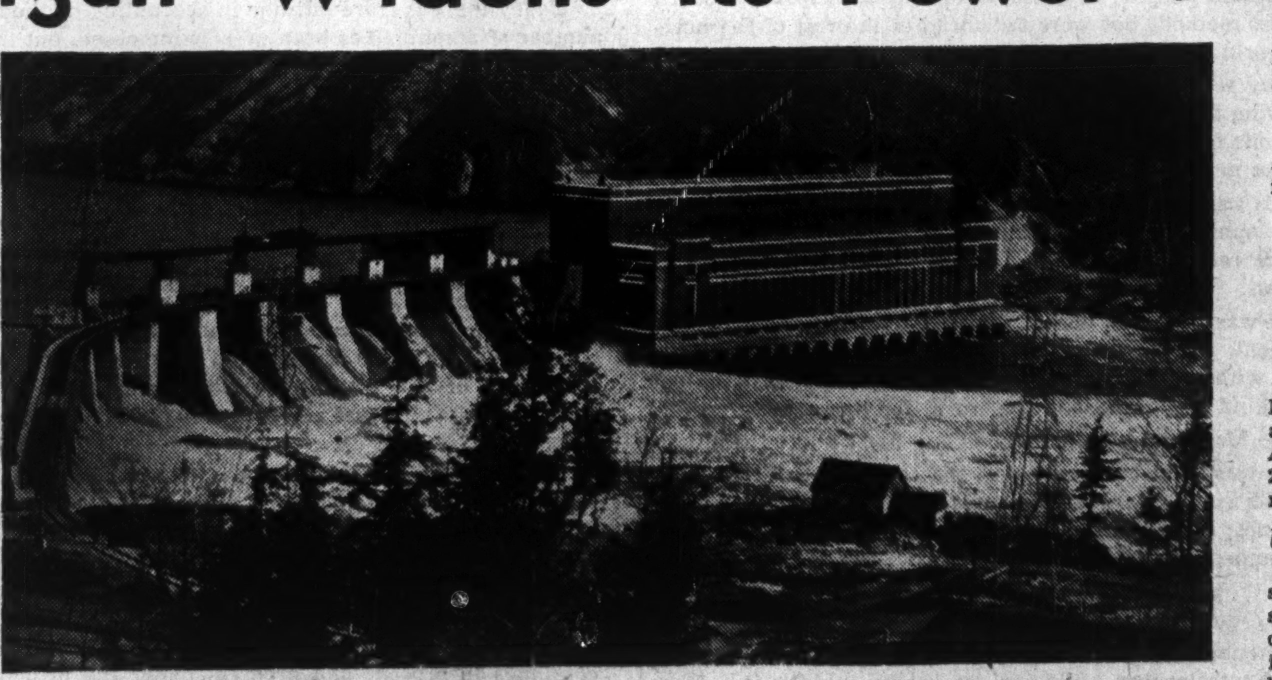
Shawinigan should be considered as an enterprise divided into three major divisions: generation and distribution of hydro energy, chemicals, and investments. The result is one of the strongest operating and financial corporations in the Dominion.

Operate Big Power System

The Shawinigan power system is propably without equal the world over. Operations are centred in the St. Maurice River Valley of Quebec, halfway between Montreal and Quebec City. Through a series of dams the flow of this mighty river is so controlled that it is possible to make use of the water over and over again. Five power sites have been developed with a generating capacity of 864,350 h.p.; one is in course of development at La Tuque with an intial capacity of 160,000 h.p.; and there are five undeveloped sites with an ultimate installation of 1,075,000 h.p.

Altogether Shawinigan controls sites, developed and undeveloped, having a capacity of nearly 2,100,000 h.p. This is the greatest reservoir of electrical energy to be found in any one spot in the world; not excluding Niagara Falls.

The power resources of Shawinigan do not end there. Through its subsidiary, Quebec Power Co., the company has developed 43,350 h.p. Even this is not enough for its needs and the company purchases from other operators 116,289 h.p.



Shawinigan controls the world's greatest reservoir of electrical energy.

The extent of the company's power resources is set out in the following table:

	H.P.
Developed:	
Shawinigan Falls	333,000
Grand'Mere	189,000
Rapide Blanc	160,000
La Gabelle	152,000
Other plants	30,350
	864,350
Owned by Quebec Power	43,350
Purchased:	
Saguenay Power	100,000
Southern Canada Power	10,000
Canadian Light & Power	6,289
	1,023,989
Undeveloped:	
La Tuque*	267,000
Rapide Sans Nom	252,000
Trenche	348,000
Rapide des Coeurs	112,000
Rapide Lievre	124,000
Rapide Allard	132,000
	2,258,989

*Now in course of partial development—160,000 h.p.

Shawinigan is one of the few Quebec operators which does not export power

At present there are some 440 towns and villages in Quebec wholly dependent upon Shawinigan for their electricity requirements, with 75,000 customers.

Shawinigan power also is transmitted to other sections of the province. Montreal, to a large extent, depends on that power, so does Quebec City and surrounding territory. In these other parts of the province, including 225 cities, towns and village, an additional 350,000 customers are served.

Probably no better illustration of the growth of the Shawinigan power system is to be had than the expansion of the kilowatt hour output.

The amount of energy generated and purchased (including firm, secondary and hydraulic) is shown in the following table:

	KW.H.
1905	128,000,000
1910	365,000,000
1915	693,934,388
1920	1,140,759,076
1925	2,333,810,576
1930	3,528,538,528
1935	5,315,290,623
1936	5,667,166,962
1937	5,709,759,711

The company has created one of the largest and most efficient transmission and distribution systems in the world. At present Shawinigan has in operation 2,947 miles of transmission and 1,914 miles of distribution lines.

Utility Board a Factor

No survey of the Shawinigan power system is complete without giving consideration to the effect of government control on utility operations in the province and the distribution of the power load.

Until a short time ago there was no effective control of the power business in Quebec province. There were abuses and criticism was directed against the privately-owned systems. Many of these abuses came about as a result of the phenomenal expansion of the industry and not through deliberate attempts to take advantage of a monopolistic position.

All that has been changed. The Provincial Electricity Commission has been functioning for the last three years and has taken a firm hold of the situation. The Commission has absolute control

(Continued on page 11)

CANADA'S CIGARETTE MILLIONS from an INDEPENDENT'S VIEWPOINT

How Independent Manufacturers Function as Economic Balance Wheel in Important Canadian Tobacco Trade

They Control 30% of Available Business

Provide Initiative and Protection in Giving Consumer Cheaper Cigarettes and also Greater Variety. First to Introduce New Types into Canadian Market

INDEPENDENT manufacturers in the Canadian tobacco field, accounting for but 30% of the total trade, constitute the economic balance wheel which serves as protection for consumer, trade and grower. Without that balance the whole structure of the industry, in all its ramifications, could not withstand the pressure from both inside and outside the trade, nor could the industry give consumer and grower alike those "breaks" which are essential to the general economic structure of any industry.

The tobacco trade in this country is dominated by one organization, yet the minority interest is a factor even greater in proportion than the gross volume of poundage represented by the sales of the entire group.

Were this not the case, price levels for the Canadian grower, as well as consumer, would be on different planes from what they are today. The MacGregor report on the alleged combine in the tobacco trade and the evidence presented to the Price Spreads Commission in 1934 demonstrated clearly the effect of independent competition as benefiting the producer of raw leaf and the consumer who used it in manufactured form.

Independents Back Up Their Claim

What evidence is there to support the independent manufacturers' claim to being the economic balance wheel for the tobacco industry?

When the excise tax on cigarettes was reduced from $6 to $4 a thousand, it was this group which led in the reduction of $2.50 a thousand in the price to the consumer. This actually gave the user a greater saving than the one provided by the tax change. Further, it paved the way for greater returns to the Dominion Treasury by advancing consumption through the reduction in actual over-the-counter price.

It was the independents who had previously given the consumer a popular price of 12 cigarettes for 15 cents, or 1¼ cents a cigarette, as against the prevailing 1½ cent cigarette cost—10 for 15c.—which had been the regular price for "standard brands" until independent competition brought down the general cost to the Canadian smoker.

Help Keep Down Taxes

Another example of how the independents have worked in the interests of the consumer is in the manner in which they have lightened the tax burden of the smoker in the Montreal area, where a 2% sales tax applies on all purchases over 10c. One independent company, enjoying a considerable sale in this area, sells its product at a price of 25 cigarettes for 24 cents to comply with the law and still permit the one cent tax to be added. In this way the consumer still pays only 25 cents for 25 cigarettes, instead of 25 cents for 24 cigarettes as is the case with many other standard brands.

The independent manufacturers have been and are of considerable aid to the Canadian tobacco growers. The competition they provide in bidding for each year's crop (and their purchases are considerable) maintains an open market with resultant better prices for the grower.

As a factor in reducing the price of tobacco products to the consumer and in maintaining a balance in the dispersion of the tobacco crop, the independent manufacturers have been a potent influence.

Give Initiative and Protection

They also have been an influence in other directions. Their initiative and protection have given the Canadian consumer not only cheaper cigarettes, but better cigarettes and a greater variety. It was the independents who provided Canadians with the first mentholated cigarette and the first Virginia mentholated cigarette, mentholated by air. It was the independents who met the demand for filter tip cigarettes of domestic manufacture.

Cellophane, now universally used to provide better conditioned cigarettes and tobacco for Canadian users, was introduced to the domestic market by this group. Cello tips for cigarettes were pioneered by the independents. So, too, was the first pouch package for cut tobacco an independent innovation.

Spearhead for the Independents

In volume of sales the independents are, naturally, in a secondary position, but lead in providing competition and initiative in the Canadian tobacco trade. The credit for this quite properly rests mainly with W. C. Macdonald Inc.

W. C. Macdonald Inc. is the largest independent cigarette and tobacco manufacturer, not only in Canada but in the British Empire. The capacity of the company's works based on actual consumption records of the Dominion is equal to 100% of the plug tobacco; 30% of cut tobacco and 20% of cigarettes. In so far as the cigarette trade is concerned Macdonald's and the other independent manufacturers account for 30% of the total Canadian consumption. With the equipment they have, it would be possible for them to handle a much larger volume of the available business.

Macdonald's is an extraordinary enterprise. It is a one-man organization and has been since its establishment over 80 years ago. The company never has had a traveller on the road. There is no sales organization; no warehouses scattered across the Dominion; no branch offices. Nor does it take orders for its products.

The Works of the Macdonald Tobacco Co., Montreal.

All this is strange to modern business. It does not seem possible for any organization to follow "outlandish" practices and still survive. Yet it has survived. It has grown and prospered. To the businessmen of Canada and elsewhere W. C. Macdonald Inc. represents a quasi-mysterious organization which somehow or other has built for itself a position of importance and influence despite principles contrary to accepted business methods.

The success for this accomplishment rests primarily upon the founder of the company, Sir William Macdonald. To most Canadians he has become almost a legendary figure; a character unique even among the old school of businessmen who valued independence of thought and action above anything else.

Sir William's Unique Principles

The story of Macdonald's is the story of Sir William. Not only did he found the enterprise but he it was who developed the guiding principles of a firm which ranks outstandingly among the business enterprises of today. To understand how this has been achieved and to appreciate the uniqueness of this enterprise, it is necessary to know something about Sir William and his methods of doing business. For the principles he laid down are those which are followed to day and explain why Macdonald's is not just another manufacturing enterprise.

Sir William entered the tobacco business in 1858. He believed in producing a quality product at a rock-bottom price. His business was built on plug tobacco. From the sale of these products he amassed a great fortune, even for these days.

Always the business was run as a "one-man" show. Sir William lived and died a bachelor. For many years his confidential man of affairs was the late David Stewart, who was stricken with paralysis in 1914. When Sir William died in 1917 he left the business to his friend and confidant, David Stewart, who in turn passed it along to his sons.

Continuity of Enterprise and Purpose

Such continuity of enterprise and purpose is phenomenal in the history of commerce. The usual trend of events on the demise of a great captain of industry is the sale of the business he has built up to a syndicate of strangers, the breaking up of old traditions and a gradual loss of identity. Such a course is only too well known to Canadians, who have seen many fine old family concerns pass out of existence and with them their traditions of business. The foresight of Sir William, whose heart was in the enterprise he had constructed on his own strongly individualistic lines, and his good fortune in finding heirs in sympathy with the general tenets of his business creed, emphasize the exceptional nature of an enterprise always unique.

Macdonald's has always been a "closed" corporation in the sense that the public has never been taken into its confidence. Its volume of sales and finances are a closed book even to this day. Its plant is not open to the public.

Anticipate Modern Business Methods

The phenomenal success of the enterprise has given rise to many stories—some true and some just plain guesswork. Mainly they relate to the alleged archaic way in which the firm carries on business. Yet when the full and complete story of this amazing enterprise is told, it will be found that Sir William and his successors not only anticipated modern business methods but were far ahead of the rest of the business world.

They tell of the "backwardness" of the Macdonald firm by saying that for many years Sir William would not have a telephone in his office, and that it is only in recent years that the firm name has appeared in a telephone book.

It is true that the firm name has only recently appeared in a telephone book, but it is not true to say that Sir William did not recognize the vital importance of the telephone in business.

He was probably one of the first telephone users on the continent. An instrument was installed in his office connecting it with the plant. This was one of the first installations of its kind in Canada and the world for that matter.

The Macdonald Tobacco Company has no letterhead!

Contrast that condition with the equipment of its works, with its complement of the most modern cigarette making machines; its "last word" in automatic packing machines and its stampers and cellophaners.

Factory Grounds Make Community Area

The "Works," located in the east end of Montreal, present a surprising picture from the air. The plant consists of a number of interlocking buildings set in the middle of a large square comprising 13 acres. There is a reason for this. Many years ago his old plant was threatened by fire from neighbouring property. In order to eliminate the outside fire hazard, Sir William bought the vacant property on all four streets surrounding his new works. This accounts for the wide strip of building-free land around the Macdonald plant. This land is not allowed to stand idle, for the firm has permitted the use of part of it as a playing ground by a civic welfare association and the parish church and school.

It is said that Sir William did not believe in advertising. This is not true! Macdonald brands were advertising in the Toronto Globe in 1864! The heart trade mark on the plugs of 80 years ago naturally developed the slogan: "The Tobacco with a Heart." The Highland Lassie, so prominently identified with Macdonald products and Macdonald advertising of the present day, is merely an adaptation of an advertising presentation of more than half a century ago.

Today Macdonald's advertising places the firm in the higher brackets of Canadian advertising. For the past two decades it has ranked in volume with the leading advertisers of the Dominion. Incidentally it was one of the pioneer users of radio as an advertising medium and its employment of an autogiro, to carry its message from coast to coast, was the first time many thousands of Canadians ever saw one of these "flying windmills."

But Sir William established a number of peculiar business methods which are still followed religiously. The head office of Sir William Macdonald and the successor firm, has always been kept separate from the plant.

The Macdonald business has been built on the basic principle of giving the consumer a quality product at the lowest price possible. The price at which the raw leaf is bought cannot be controlled but quality can be purchased. Sir William saw to that. Manufacturing processes must be the most efficient possible. Along these lines the firm has few equals and no superiors.

Cutting Out the "Overhead"

Where Sir William pioneered and his successors have followed is in eliminating or reducing to a minimum the item of administrative marketing and collection costs which help to broaden the spread between the cost of production and the cost to the consumer and, in times when competition is sharp, tend to wipe out profits altogether.

Sir William was intensely conservative in his views of merchandising and, to his mind, a great part of the ever-growing routine and exhaustive correspondence of modern business represented so much waste of time and energy.

To the end of eliminating or reducing to the smallest possible margin the spread between production costs and the costs to the consumer, Sir William created a system which stands unequalled today and is probably without parallel in the world of business.

Selected agents submit orders "for approval" to the company. The Dominion is divided into a number of sales areas. They are controlled by private sales companies. These submit orders to W. C. Macdonald Inc., maintain necessary supplies and generally service and contact the trade.

Its advertising is handled by an agency which assumes full responsibility after the general programme has been approved by the head of the firm.

Unique Accounting Methods

Unique, too, are its accounting methods. In the old days bills were paid by marked cheques, which were immediately debited against the bank balance. There were no ponderous volumes of accounts; no elaborate bookkeeping system; no cross checking for the missing penny; no large staffs of trained bookkeepers and accountants.

In Sir William's lifetime the firm never billed an agent for goods shipped. A sight draft attached to the bill of lading was sent to the bank manager of the town in which the agent or the actual customer lived. That draft had to be taken up before the bills of lading were turned over to the dealer.

Today there is more latitude in accounting methods as the number of accounts has been greatly increased, but the principle still holds good. A large percentage of the company's business is on a cash basis but, where credit is extended, bank drafts are forwarded at the end of the period of grace.

Office Staff Less Than 20

In addition to the 1,200 and more employees of the Macdonald Works itself, many hundreds of workers are engaged in handling Macdonald business but W. C. Macdonald Inc. does not employ them. They are employed by the sales agents and by the many other organizations who come between the company and the grower, distributor and consumer. As an example of this might be cited the instance of more than 500 employees of the Ontario company associated with Macdonald's in the purchase and processing of the Ontario tobacco crop.

This amazing and almost incredible circumstance is true, probably the largest individually conducted business enterprise in Canada is carried on with an office staff of less than a score. It seems almost incredible that a business with an annual turnover in excess of $12,000,000 could function properly with so small a staff. Yet the incontestible fact stands out that it is so and that the firm of W. C. Macdonald Inc. continues to prosper and progress under the principles laid down by the founder.

Virtually No "Overhead" in Costs

The costs of the products are practically limited to the price of raw materials plus labor, overseers, etc. The virtual elimination of "overhead" enables the firm to maintain standard prices for the highest quality of its products and to turn over that product to consumers without a fraction of unnecessary expense, after adding the present heavy and uncontrollable government taxation.

Sir William was unique in his day when business leaders were noted for their highly individualistic personalities. He

W. C. Macdonald Inc., Oldest Tobacco Manufacturing Concern in Canada Provides Leadership for Independents

Follow Principles of Sir William Macdonald

Privately-owned Firm of Macdonald's Unique among World Business Enterprises—Unusual Business Methods Make for Success—Profits Used to Further Public Interest

was in business to make money. He made money in the only way he knew how—selling a quality product at a minimum price to the consumer. He amassed a fortune. Sir William regarded his wealth as a trust, to be used to further the interests of the public who gave support to his great enterprise.

He built many buildings at McGill University used for instruction in various branches of applied science and endowed a large number of professorships in such subjects. In addition he built, equipped and endowed Macdonald Agricultural College at Ste. Anne de Bellevue, Que., affiliated with McGill, and devoted to agricultural science, domestic science and teacher training.

At the time of his death Sir William's gifts to McGill alone totalled $10,690,165 and his will made further provision for further gifts to the institution and hospitals affiliated with it, reaching about $2,500,000.

The Macdonald Institute in connection with the Ontario Agricultural College at Guelph, where domestic science is taught, was his gift. He also endowed manual training at that institution.

One of the most important endowments of his devising was the Macdonald seed grain competitions for boys and girls all over Canada in order to stimulate interest in the growing of cereals.

Another of his important aids to general education was the provision of funds for an experiment in consolidated schools in Ontario and the Maritime Provinces.

Carry on Macdonald Tradition

The firm of Macdonald's today has not forgotten the traditions of Sir William. The profits of the business have not been used to further the personal ambitions of the owner. But times have changed. Corporation taxes, income taxes and the thousand and one other forms of taxation devised by governments have made it much more difficult than in the past for philanthropists. Nevertheless Macdonald's carries on, though in a smaller way, the good works started so ably by Sir William.

Agricultural scholarships are still provided for promising students who desire to attend the Macdonald Agricultural College.

Interest in national defence is encouraged through prizes offered at the annual shoot of the Dominion of Canada Rifle Association held just outside of Ottawa each year. The Macdonald's Brier Match, with its cash prize of $1,185 is the major prize at the D.R.A. competition. In addition Macdonald's make annual grants to all the provincial rifle associations.

Its interest in creating inter-provincial meetings of Canadians finds reflection in the grand old game of curling. To the thousands of curlers across the country the Macdonald's Brier Tankard means but one thing—the Canadian championship and a meeting of good-fellows from all parts of the Dominion. This is the only sporting event in Canada that is conducted on an absolute parity. Saskatchewan, for example, has 436 curling clubs, but only one team entrant for the Macdonald's Brier event. Prince Edward Island has only 4 curling clubs, still it has its entry of a four-man team for the Dominion championship. These provincial championship teams are brought together in Toronto each year as the guests of W. C. Macdonald Inc. This is done in a sincere effort to further Sir William's ideas of Dominion solidarity by bringing together representatives from all parts of the country.

Then the interest of Macdonald's is extended in a practical way in other directions.

McGill University has a modern streamlined version of the Macdonald support in the McGill cigarettes. This special brand, in different types, provides the student body with additional funds for the McGill Gymnasium, profits on its sale going to the special cause.

Interest has extended to the soldier and the ex-soldier. During the Great War and, prior to that, in the South African War, Macdonald's did its share in supplying the Canadian troops with tobaccos. Nor did it forget its responsibility after the war ended. At the request of the Canadian Legion a special brand of smokes, known as the Legion, was placed on the market, the royalty on the sale of which goes to the Dominion Command for furtherance of Legion activities generally.

Profits Go Back to Public

Macdonald's thus has been very exceptionally and intimately linked up with the interests of the Canadian people as a whole—since a great proportion of the profits of the business has always found its way back to the public in such a way as to further Canadianism.

In W. C. Macdonald Inc., the independent tobacco manufacturers of Canada have a leader which carries on the fine principles laid down by the founder, Sir William. This leadership has meant much to the Canadian tobacco grower. It has meant even more to the consumer in providing competition and initiative so as to bring him quality tobacco at a moderate price.

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

White Aircraft

I have been offered shares of White Aircraft. Is this company likely to benefit from demand for military aircraft?

White Aircraft (Canada) Ltd. is a new concern, recently organized to manufacture various types of aircraft adapted for private and commercial use. We are informed that the company's designs are not well adapted for military use although it is possible that some of the planes might be used as training craft. The company has still to establish a record of earnings and build up an adequate financial position. From the information which we have obtained, it is apparently doubtful if White Aircraft will participate in any armament activity. It is possible that if you purchase the stock of this company you might find difficulty in reselling it, at least until the company is a little better established. On the other hand, it should be pointed out that aircraft manufacture seems to have chances for a good deal more expansion.

Loew's London

Will you review recent operations of Loew's London Theatres?

Operations of Loew's London Theatres for the year ended Aug. 25, 1938, showed a slight improvement over the previous year.

Net profit amounted to $15,722, as compared with $15,597 for the year ended Aug. 26, 1937.

Earnings on the 7% preferred stock were 47 cents a share against 46 cents in the previous year. Two dividends of 35 cents each were paid on the stock during the 1938 fiscal year, leaving the stock in arrears $2.80 a share at Sept. 30, 1938.

Working capital decreased approximately $28,572, amounting to $41,003 at the year end. It is understood that business for the first three months of the current year is running at about the same level as the corresponding period last year.

Coal "B"

Kindly let us have a brief report on the position and outlook for the B shares of Dominion Steel and Coal Corp.

Dominion Steel and Coal B stock is well regarded as a speculative issue. In the last few years the management has brought about a marked improvement in the company's financial position; diversified operations; and acquired potentially valuable properties. Earning power during this period has steadily improved and last year the company earned $1.56 a share on the B stock. Due to the slowing down of operations since mid-year, the returns for 1938 are not likely to be as good as they were in 1937. As regards prospects for the company, the outlook is encouraging. Expected improvement in business should result in better volume of business for the company and, in turn, improved earnings.

Canada Bud

Is there any information available on Canada Bud Breweries operations?

Canada Bud Breweries is controlled by Canadian Breweries through ownership of over 50% of its outstanding capital stock. It is understood that Canada Bud earnings have been down somewhat this year and this is evidenced by a reduction in the dividend from 40 cents a share semi-annually to 20 cents. It is not yet clear just what the effect of the consolidation with Canadian Breweries will have on the company's operations.

Competition among the brewing units in Ontario is keen, not only from operators in this province, but also from those in Quebec. Like the liquor companies, the breweries have a serious problem of public relations to meet. Few of the stocks of brewing companies have established anything outstanding in the way of an investment record.

Canada Steamships

I hold some common shares of Canada Steamship Lines and am wondering what the outlook for these shares is.

The common stock of Canada Steamship Lines cannot be regarded as other than a speculation. There would have to be a marked recovery in business activity in Canada before the company would be in a position to pay dividends.

The preferred shares are entitled to dividends of $2.50 a share annually. In 1937 earnings on the preferred shares amounted to $1.03 a share and in the current year are expected to be between 50 cents and 75 cents a share. Preferred dividends are non-cumulative until 1943, but no common dividends can be paid in this period until preferred shareholders have received dividends at the rate of 5% per annum from Jan. 1, 1937.

Another provision is that no dividend can be paid on the common stock which would reduce the earned surplus below 10% of the aggregate par value of the common shares outstanding. Ten per cent of the par value of the preference shares is $1,146,250, while earned surplus at the end of 1937 amounted to only $120,870.

Toronto Elevators

How do you think the trade agreements will affect Toronto Elevators? What is your opinion of the stock?

Toronto Elevators in the year ended July 31, 1938, experienced the first loss in its history. The deficit was equivalent to $8.54 a share on the preference stock, as compared with net earnings of $6.49 a share in the preceding year. Working capital was also reduced to $667,633 from $1.5 millions, the result of the operating loss, payment of dividends and interest and the expenditure of about $368,000 on capital assets.

Undoubtedly much of the unsatisfactory results of last year were due to the small wheat crop in Canada and the sale of the surplus stocks of wheat. In this respect the current year should be better. The company has established a good sideline in a feed business. It is possible that the terminal elevators in Ontario may suffer somewhat from the trade agreements in so far as it will now be possible to ship grain through American ports without suffering a loss of the British preference.

Dividends have been paid regularly on the preference stock of this company but nothing has been paid on the common in the past year. Improved earnings this year might make possible some distribution on the common.

Supertest Pete

Would you kindly comment on the stock of Supertest Petroleum Corp.?

Supertest Petroleum Corp. is a distributor of petroleum products in Ontario and Quebec. The company does no refining of its own but buys its gasoline and other products for resale from other Canadian refineries.

Information published by the company has been somewhat limited, but it is indicated that earnings on the combined common and ordinary shares in 1937 were equivalent to $2.90 a share as against $3.23 in 1936. The class B preference stock is only a small issue and its dividend requirements have always been well covered from earnings. On the common and ordinary stocks which rank equally for dividends, total payments of $1.50 a share have been paid last year and the same amount paid or declared for 1938. It is not likely that earnings for 1938 will quite reach last year's level. The company's financial position shows its working capital somewhat restricted but making improvement.

Penmans Ltd.

I should like a report on Penmans Ltd. How long has it been paying common dividends? To what extent will it be adversely affected by the new trade treaty with United States and Great Britain?

Penmans Ltd., enjoys excellent management and has a good earnings record. The company has an established earning power in good times and bad, having been able to show earnings on its common stock even during the worst depression years. The company has paid common dividends continuously since 1907, at various rates. Since 1932, the common dividend rate, has been $3 a share annually. In 1937, the company earned $4.09 a share as compared with $3.75 a share in 1936.

It is difficult to say what the effect of the new trade agreement will be on the company, other than it will probably mean increased competition.

English Electric

Will you please send me an analysis of English Electric Co.?

English Electric Co. of Canada is an important maker of electric motors, generators, transformers, traction material, turbines, Diesel oil engines and other equipment for mines, power plants and pulp and paper mills. The company holds exclusive manufacturing rights in Canada for a company of similar name in Great Britain and the Canadian company acts as exclusive agents for the English company for all selling, engineering and construction work done in Canada.

For the first eight months of 1938, the company's net profit is understood to have been only about $2,000 below the corresponding period of 1937, after charging about $14,000 more depreciation and about $5,000 additional for income taxes. Working capital as at Aug. 31, 1938, is reported at $1.1 million, slightly higher than at the end of last year.

For most of the second half of this year operations were at capacity, although there was a decrease in orders booked at the end of August. Volume of business generally is understood to have exceeded the budget estimates for this year, due largely to the activity in the mining industry. Last year English Electric earned $4.02 a share on its class A stock as compared with $1.55 a share in 1936 and deficits for the preceding four years.

Dividends were resumed on the class A shares with a quarterly payment of 62½ cents on Sept. 15, 1937, and have been paid at this rate since. By the participation provisions of this stock, any distributions between $3 and $4 are to be shared equally share for share between the A and B stocks. After $4 is paid to class A in any one year, all further disbursements are limited to class B shares. Class A shares must be classed somewhat speculative because of the company's earnings record but have a certain amount of attraction. They are not very actively traded.

Canadian Vickers

I am considering the purchase of a Canadian Vickers bond. Do you regard this as a sound investment?

The 6% first mortgage bonds of Canadian Vickers are considered a semi-speculative investment in view of the past earnings record of the company. This factor is recognized by market quotations on the security.

The company has not met sinking fund payments on the bonds since Aug. 1, 1932. Since 1932 the company has not earned its bond interest in full after providing for depreciation. In four years earnings have not been equal to bond interest before depreciation.

Recently there has been some improvement in the company's position but as yet it has not re-established earnings on a satisfactory basis. Airplane orders from the British Government should help the company somewhat but earnings from this source are not expected to be large immediately. The company receives a subsidy under the Dominion Dry Dock Act which assures payment of at least 4% on its bonds.

Gatineau Power

Do you regard the preferred stock of Gatineau Power Co. as a sound investment? Is there any reason why the company might not be able to earn its preferred dividend?

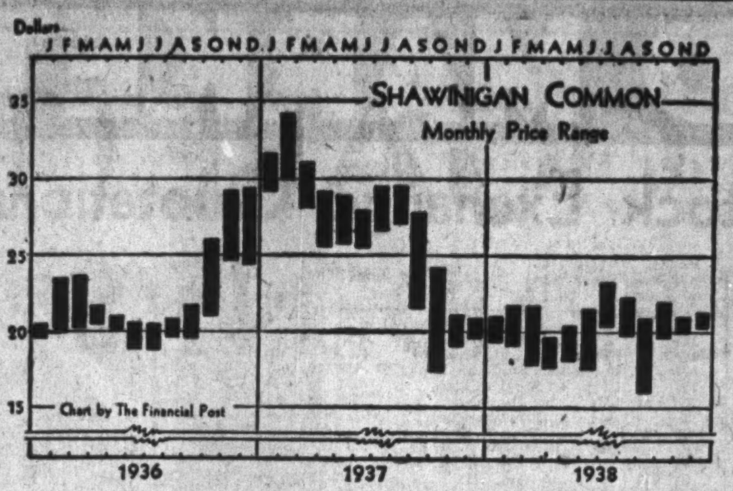
The preferred stock of Gatineau Power is well regarded as an investment medium. Net profit in 1937 was equivalent to $13.46 a share on the preferred compared with dividend requirements of $5 a share. In the current year earnings will be even larger and additional revenue will accrue to the company in 1939 and 1940 from its contract with the Hydro-Electric Power Commission of Ontario. There is no apparent reason why the company should have any difficulty in earning dividends on its preferred stock.

Manitoba Bonds

What is the reason for the recent weakness in Province of Manitoba bonds?

Recent weakness in Manitoba bonds reflects disappointment on the part of investors that there is not to be an immediate adjustment in Dominion-provincial relations which would improve Manitoba's financial situation. It is also probable the emphatic statement of Premier John Bracken that the province will have to default unless there is an adjustment following the report of the Royal Commission on Dominion-Provincial Relations has had an adverse effect. Then, again, the province desires a refunding scheme to reduce the interest rates on its bonds.

Present indications are that there will not be an adjustment in Dominion-provincial relations until 1940 at least. The royal commission is not expected to bring down its report until next March.



Stock of Shawinigan Water & Power participated in the strong stock market of 1937. Down now in company with the rest of the market, investors may be wondering whether or not current prices reflect developments in the company's operations.

Shawinigan Widen Frontiers

(Continued from page 9)

over operations and finances of the operators.

Many investors feel that the entrance of the Government into the utility business has been a detrimental factor. Nothing could be farther from the truth. The Commission is a tower of strength in that it acts as a clearing house on all matters of public interest.

The Commission's work is concerned mainly with the domestic power consumer. The large industrial user secures his power under contract.

Retail System is Important

There is a fairly widespread belief that Shawinigan is primarily a wholesaler of power and, therefore, little concerned with the domestic user. A growing and relatively large amount of Shawinigan's revenue is derived directly from retail customers and, consequently, the company is vitally interested in the retail business.

In this connection the Shawinigan management has shown foresightedness. Much of its retail business is done in rural areas where the capital costs are high and returns are low. Nevertheless, it recognizes a certain public, if not legal, responsibility in making energy available to the largest possible number of users. To that end it has actively extended its rural distribution system into areas which other power systems would consider uneconomic. Where lines have been built ahead of their time the cost has been borne by the system as a whole. The out-of-pocket expense is negligible beside the goodwill created. This form of co-operation by Shawinigan has paid for itself many times over in creating a degree of public understanding and goodwill greater than that enjoyed by any other power utility in the province.

Industrial Load Leads

Though the retail business of Shawinigan is important, its biggest power load now and for some years to come is in the sale of large blocks for industrial use. The amazing growth of the system has been closely associated with the equally rapid growth of the newsprint industry. At least one third of the company's gross revenue is derived from power sold to newsprint manufacturers.

Shawinigan also depends upon other large industrial users. The asbestos industry in the Eastern Townships uses a large quantity of the company's power. The chemical division at Shawinigan Falls is an important customer; so, too, are the textile mills and other industrial operators in the Valley. Equally important is the large block of power sold to Montreal Light, Heat and Power Consolidated.

Roughly speaking, it can be said that Shawinigan's gross revenue is divided in the following proportions; two thirds from the sale of bulk power; about 20% from retail business and the balance from miscellaneous sources.

Building For The Future

The management of Shawinigan has long foreseen that eventually the company must diversify its power load so as to provide for maintenance of future operations. To that end it has been actively pursuing a programme of greater industrialization of the St. Maurice Valley.

Pulp and paper is still the largest industry in the Valley, but other industries have come upon the scene, accounting for an increasing share of the power load.

Forty years ago practically the only products produced in the Valley were lumber, pump and paper and aluminum. Today the St. Maurice is widely known for cotton goods, iron castings, steel and stainless steel, Cellophane, carbide, acetic acid, hydrogen peroxide, shoes, shirts, carborundum, silk and aluminium foil.

Chemicals represent the second major division of Shawinigan operations. In Shawinigan Chemicals, a wholly-owned subsidiary, the company has an asset of considerable value today and possibly of tremendous value in the future.

Shawinigan Chemicals is an important unit in the Canadian and international picture. It has more than paid its way to date. Not only is it an important power customer of the parent company, but pays nearly half a million dollars each year into the Shawinigan treasury. There are some who believe that one day this unit may even overshadow the parent company in importance. That view may be too optimistic. But it is impossible to weigh up the future possibilities of Shawinigan without giving serious consideration to the chemical division.

At present Shawinigan Chemicals produces yearly some 50,000 tons of calcium carbide, of which about half is exported to all parts of the world. The balance is used to produce, with the simple addition of water, acetylene gas, which in turn can be transformed into acetaldehyde. Again the acetaldehyde mixed with oxygen produces acetic acid.

Important Possibilities

The products obtained or which could be obtained from both acetaldehyde and acetic acid are many and varied. The layman appreciates their importance when he knows that the derivatives are used in the manufacture of perfumes, dyes, dry batteries, insulators, medicines, solvents, denaturants, varnishes, enamels, lacquers, insulation, plastics, colorants and other articles of everyday use.

The potentialities of the chemical division are tremendous. It is well, however, to be conservative in appraising this asset, because of the fact that no one knows exactly what its capabilities are. For that reason alone, it will repay the investor to follow the developments of this branch of the company's operations.

Interests Are Varied

The miscellaneous investments, representing the third division, are of importance in the general Shawinigan scheme. The company controls a number of allied activities, many of them of a minor nature. In addition it has a substantial stake and receives a considerable revenue from its investment in the control of Quebec Power Co., one of the major retail distributing systems in the province.

It owns, jointly with Montreal Power, the United Securities, which in turn controls Montreal Tramways Co. and Canadian Light and Power. The company has a half interest with Brown Corp. in the St. Maurice Power Corp., which has under way a 160,000 h.p. development at La Tuque. It holds a 20% stock interest in the important Saguenay Power Co. Further, it has a stake in Montreal Power, and a number of other enterprises in the provinces.

Shawinigan has not attempted to set up an "investment trust" in the generally accepted sense. Its operating surplus has been ploughed back into the property; in the building of new plants, extension of transmission or distribution lines.

Maintain Capital Balance

The financial position of Shawinigan is one of strength and its financial policies conservative. At the end of last year the company had assets of $180 millions: 10 times as great as they were in 1910. The management has always followed the policy of maintaining a fairly even balance between debt and shareholders equity. In 1910 assets totalled $17.7 millions, funded debt $8.4 millions and capital stock $8.5 millions. At the end of last year debt totalled $86.7 millions and capital stock $72.1 millions, as against assets of $180 millions. All of the funded debt is on a long term basis, about four-fifths carrying a coupon of 4½% and the balance 4%.

The trend of earnings has been consistently upward, following the growth in power sales. Net income reached a peak of $10 millions in 1930. During the depression years revenues fell off to a low of $6,756,171. Since that time they have moved up steadily and in 1937 reached $8.4 millions. For the current year net revenues are slightly under those reported last year.

Dividend Trend Reversed

The management has followed a conservative policy in respect to dividends. When earnings fell off during the depression years the dividend was reduced to 50 cents a share. This was done, in part, because of the necessity of financing developments out of earnings at a time when it was out of the question to do any public financing. With such capital expenditure out of the way and earnings improving, the dividend has been increased; 85 cents a share having been paid in 1937.

The trend of share earnings and dividend payments in recent years follow:

Year	Earnings* per Share	Dividend
1929	$2.34	$2.12½
1930	2.65	2.50
1931	1.91	2.25
1932	1.16	0.75
1933	0.85	0.50
1934	1.09	0.50
1935	1.17	0.52
1936	1.03	0.65
1937	1.34	0.85

*Note from 1929 to 1937 depreciation reserve was increased from $800,000 to $1,500,000. Had the annual apropriation remained unchanged, per share in 1937 would have been $1.68 instead of $1.34.

Future Holds Promise

A feature of interest to present and future shareholders is whether or not the day will return when the power utilities will resume the large dividend payments which made this investment medium so popular in other years.

Investment in the Quebec power stocks should not be made from the angle of future possible "melons," but from the point of view of return. On the latter basis Shawinigan's capital stock is attractive in these days of low interest rates.

In the case of Shawinigan this view might be broadened. The present return is low in relation to the capital invested. There is always the possibility that in time the associated interests of the company, such as the chemical division, will become increasingly important as revenue producers.

Management is Outstanding

Another factor enhancing the investment merits of Shawinigan's stock is the strength of management. Interests which were identified with the formation of the enterprise are still associated with the company, while the principal executive officers have been with the company since its early days. J. E. Aldred is chairman of the board; Julian C. Smith, president; Howard Murray, W. S. Hart and James Wilson are vice-presidents; while Phillip S. Gregory, R. J. Beaumont, J. B. Challies and John Morse are the assistant general managers.

The Board is composed of outstanding businessmen, a number of whom have been actively and closely allied with the company for 25 years or more. The directors are: J. E. Aldred, John A. Wallis, Howard Murray, Sir Herbert Holt, Julian C. Smith, W. S. Hart, Beaudry Lemain, Gordon W. MacDougall, G. H. Duggan, James Wilson, Paul F. Sise, Norman J. Dawes, A. E. Dyment and Hon. D. O. L'Esperanceé.

Suggestions for December Investment

A diversified selection of Dominion, Provincial, Municipal and Corporation securities is listed in our December booklet.

We shall be pleased to send you a copy on request.

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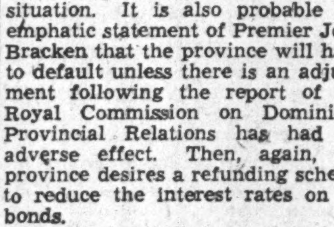

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STOCK AND BOND MARKET QUOTATIONS

Toronto and Montreal Stock Exchange Quotations

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING DECEMBER 19

Range 1938 High	Low	Div R'te $	Dec17 Y'ld %		Sales	Last Dec. 12	Week end. Dec. 19 H	L	Cl'se
				A					
4.75	1.00		...	Abitibi	6642	2.50	2.75	2.50	2.50
33	8½		...	Do. pref. 6%	14903	20½	21½	20	20½
43	23½		...	Do. pref. 7%	10	23½	26	26	26
4½	4	30c	7.5	Acadia Sugar	25	4½	4	4	4
7	5	50c	10	Acme Glove	....	(5 bid 6 asked)			
82	60	6.50	10.8	Do. pref.	....	(— bid 70 asked)			
11	8½	60+20c	8	Agnew Surp.	5	10	9½	9½	9½
110	103	7	6.4	Do. pref.	....	(107 bid 111 asked)			
16½	13½		...	Algoma Steel	654	14	14	13½	13½
68½	65		...	Do. pref.	....	(65 bid 69 asked)			
5¼	2		...	Alta. Pac. Gr.	85	2	2½	2½	2½
29	10½		...	Do. pref.	530	22	22	22	22
140½	75		...	Aluminum	....	(139 bid 142½ asked)			
110½	107	6	5.5	Do. pref.	....	(108½ bid — asked)			
3	2		...	Amal. Electric	....	(— bid 21 asked)			
30	25		...	Do. pref.	....	(25 bid — asked)			
28½	23	60c	2.6	Amer. Cyn. B.	....	(23 July 7)			
116	47	2+3	4.6	Asbestos	2626	107	110	105	110
17	11½	80+45c	7	Assoc. Brew.	....	(16 bid — asked)			
114	108½	7	6.2	Do. pref.	....	(113½ bid — asked)			
6½	6½		...	Assoc. T. & T.A.	....	(— bid 8 asked)			
43½	34	1.26	...	Do. pref.	....	(— bid 37½ asked)			
101	100	5.50	5.5	Ault & Wiborg.	....	(101 bid — asked)			
				B					
166	160	8	4.9	Bk. Can. Nat.	28	164	164½	164	164
223	195	8	3.9	Bk. Montreal	210	208	207	206	206½
310½	290	12	4	Bk. N. Scotia	40	305	305	300	300
249	227	10	4.2	Bk. Toronto	14	240	240	240	240
6	4½		...	Barcelona	30	5	4½	4½	4½
6	4½		...	Barker's Bread	....	(4 bid 5 asked)			
40	30	2.50	7.2	Do. pref.	....	(— bid 35 asked)			
11½	6½	25c	...	Bathurst Pr.	1205	8½	9	8½	8¾
5	2		...	Do. (B)	40	3	3½	3	3½
2½	1		...	Bawlf Grain	5	1½	1½	1½	1½
29	12		...	Do. pref.	....	(15 bid 20 asked)			
2	2		...	Beath & Sons	....	(1½ bid 3 asked)			
15	6		...	Beatty Bros. A.	315	7	7	6	6
106	90	6	5.9	Do. pref.	....	(100 bid 101 asked)			
105	85	7	7.1	Do. 2nd pref.	....	(— bid 97 asked)			
5¾	2		...	Beauharnois	827	2½	3½	2½	3
97	97	4	4.1	Belding Cort.	....	(— bid 100 asked)			
135	129	7	5.3	Do. pref.	....	(— bid 109 asked)			
169	146½	8	4.8	Bell Telephone	1109	167½	169	167½	167½
11½	6½	50+12½c	8	Biltmore Hats	....	(7½ bid 8½ asked)			
5	3		...	Blue Ribbon	165	3½	3½	3½	3½
35	25	2	6.1	Do. pref.	40	33	33	31	31
25	21	1.30	5.4	Brant. Cord. pf.	....	(21½ bid 24 asked)			
14½	7½		...	Brazilian Tr.	21288	9¾	10½	8½	9½
7½	3	50+50c	..	Brew. & Distil.	745	4½	4½	4½	4½
6	5½	30c	6	Bright, T. G.	....	(6½ bid — asked)			
80	77	6	7.8	Do. pref.	....	(78½ bid 90 asked)			
22	16¾	1	4.6	Brit. Amer. Oil	4862	21½	21½	21½	21½
16	9		...	B. C. Packers	331	13	13	12	12½
34	24½	2	8	B. C. Power A.	1735	27	27	24½	24½
5¼	2½		...	Do. (B)	1385	2½	2½	2½	2½
5¾	2½		...	Bruck S. Mills	1895	3½	4½	3½	4½
62½	37	2+50c	..	Building Prod.	556	61	62½	60½	61½
16	15½	70c+10c	.	Do., new	345	..	16	15½	16
14½	9½	60c	5.1	Burlington Steel	95	12½	12	11½	11½
3½	2		...	Burry Biscuit	....	(— bid 4½ asked)			
38	35	3	8.6	Do. pref.	....	(— bid 40 asked)			
28½	16½	1.20	4.2	Burt, F. N.	123	28	28½	27½	27½

Mining Stocks

Week Ending Dec. 19, 1938

Oil Quotations

Vancouver Stock Exchange

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Dec. 20, 1938

Public Utility Issues	Int. Rate %	Due	Bid Dec. 20	Asked	Bid Dec. 13
†Assoc. Tel. & T.	5½	'55	73½	76½	75
Beauharnois P.	5	'73	101½	...	100½
B. C. Power	4½	'60	99½	102½	99
B. C. Tel.	4½	'61	107	109	101
†Calgary Pwr.	5	'60	101	104	100
Do.	5	'64	100½	103½	104
†Can. Nor. Pwr.	5	'53	105½	108½	90
‡Dom. Gas & E.	6½	'45	90	93	104½
‡Gatineau Pwr.	5	'36	104½	107½	...
‡Do., A	5	'49	101	104	99
Gt. Lakes Pwr.	4½	'56	99½	102½	75
‡Inter. Hydro-E.	6	'44	73½	76½	101
▲Inter. Power	6	'55	101	104	103½
†Macl'n-Que. Pr.	5½	'61	103	106	104
Do.	5½	'64	104	107	102½
Mtl. L., H. & P.	3½	'58	103	106	99½
Do.	3½	'73	99	102	99
†Mtl. Tramways	5	'41	97½	100½	72½
†Do.	5	'55	73	75	96
Nat. Lt. & Pr.	5	'49	96	99	101
N. S. Lt. & Pr.	6	'57	101	104	103
‡Ottawa L.H.&P.	4	'57	103	106	104½
†Ottawa V. Pwr.	5½	'70	104½	106	102
†Power Corp.	4½	'39	102	105	100
Quebec Power	4	'62	100	103	105½
§Saguenay Pr., A	4½	'66	105½	108½	105
Do., B	4½	'66	105	108	102
Shaw. W. & Pr.	4	'61	103	105	100½
Union Gas	4½	'50	101	104	61½
Wpg. El. Ser. A	4	'65	61	64	

Industrial and Realty Issues:

‡Payable in Canada or U.S.
†Payable in Can., U.S. or U.K.
▲Payable in Can. or U.K.
§Payable in U.S. only.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Dec. 20, 1938

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, pfd.	4.85	...
Acme Farmers Dairy, pfd.	14.50	17.00
Andian National	23.00	24.50
Angle Can. Tel., A	8.25	9.00
Barrymore Cloth, pfd.	19.00	22.00
B. C. Pulp & Paper, com.	10.00	12.00
Do., pfd.	41.00	...
Blue Top Brewing, pfd.	3.00	...
Burns & Co., A	4.00	5.00
Do., B	1.50	2.00
Canada Tea, pref.	18.00	23.00
Can. Goodrich, com.	1.30	...
Can. Industries, A com.	220.00	228.00
Can. Ingersoll Rand	132.00	135.00
Can. Tube & Steel, com.	3.50	5.00
Do., 1st pfd.	60.00	65.00
Chase, A. W., pfd. bonus	26.50	27.50
Claude Neon, pfd.	6.85	8.00
Cons. Sales Book, pfd. bonus	81.00	...
Copeland Flour Units	5.00	6.00
Corrugated Paper Box Rts.	...	8.00
Dom. Manufacturers, pfd.	60.00	65.00
Dunlop Tire, pfd. par $25	19.00	19.75
Easy Washing, pfd. par $10	8.50	9.25
Federal Grain, com.	1.50	1.75
Do., pfd.	23.25	24.50
Goderich Elevator	6.25	6.75
Guardian Realty, pfd. bonus	8.00	...
Guelph Carpet, pfd.	98.50	101.00
Do., com.	16.00	17.00
Hayes Steel Prod., com.	10.00	10.75
Do., pfd. par $10	8.50	9.50
Highland Dairy, pfd.	45.00	...
Kingston Shipbuilding Units	10.00	10.50
Loblaw Inc., New, com. W. I. & A.	10.00	...
Do., pfd. bonus	85.00	90.00
Maritime Tel., com.	16.25	17.00
Morrison Brass, pfd. bonus	5.50	7.00
Morrow Screw, pfd.	97.00	100.00
Neilson, Wm., com.	7.00	8.00
Do., pfd.	98.00	...
New Brunswick Tel., com.	12.25	13.00
New Meth. Laun. pfd. bonus	30.00	34.00
Niag. Lower Arch Bridge, c.	68.50	...
Ont. Tob. Plant, pfd. bonus	20.00	...
Paterson, Wm., pref.	100.50	103.00
Provincial Paper, pfd.	105.00	106.50
Reliance Grain, pfd.	34.50	41.00
Robinson Cons. Cone	8.00	8.75
Ruddy, E. L., pfd.	28.25	29.50
Seal O Sac (Can)	5.00	6.00
Standard Fuel	2.50	3.50
Do., pfd.	55.00	60.00
Stedman Bros., pfd. par $50	54.50	56.00
Toronto Carpet, com.	25.00	30.00
Do., pfd.	56.00	59.00
United Farmers Co-op.	2.75	3.25
United Steel, A pfd.	18.50	21.00
Viceroy Mfg., pfd. & rts.	22.00	24.00
Western Grain, pfd. bonus	5.00	6.00
Western Steel Prod., com.	7.25	8.00
Weston (Geo.) Foods (Eng.)	4.00	...
Willards Choc., pfd.	...	63.00
Trusts and Loan Stocks:		
British Mortgage	132.00	...
Commercial Finance, com.	2.75	2.90
Guelph & Ont. Inv., par $50	32.50	35.00
London & West. Trust	32.00	38.00
Premier Trust	...	110.00
Sherbrooke Trust	120.00	...
Sterling Trust	48.00	53.00
Traders Fin., B com.	13.00	13.75
Do., A pfd.	77.00	80.00
Trusts & Guarantee	26.00	27.75
Insurance Stocks:		
Canada Life	481.00	487.00
Confed. Life, 25% pd.	146.50	...
Crown Life, fully pd.	240.00	...
Dominion Fire	130.00	...
Dom. of Can. Gen.	105.00	...
Empire Life, 25% pd.	10.00	10.75
Excelsior Life, 30% pd.	57.00	63.00
Federal Fire, 25% pd.	48.00	52.00
Great West Life	300.00	310.00
Halifax Fire	23.00	23.75
Imperial Life	320.00	335.00
Manufacturers Life	339.00	342.00
Monarch Life, 10% pd.	24.00	26.00
Sovereign Life, 25% pd.	14.00	17.00
Sun Life Assce.	405.00	420.00
Toronto General	5.00	6.00
Western Assce., com.	48.00	51.00
Theatre Stocks:		
Allens Kingston, pfd.	65.50	70.00
Do., London, pfd.	65.00	69.00
Do., St. Catharines, pfd.	63.50	67.00
Do., Tor., pfd. bonus com.	35.50	37.00
Loew's Lond., pfd. par $10	3.00	3.75
Mansfield Theatre, pfd.	26.00	...
Paramount Kitchener, pfd.	50.50	...
Do., Oshawa, pfd.	88.50	92.00
Investment Trust Shares:		
Can. Investment Fund	4.00	4.40
Can. Investors Corp.	6.75	7.50
Deb. & Sec. Corp., pfd.	70.00	...
Invest. Found. Units	36.00	38.00
Lon. Can. Inv., pfd.	32.50	36.00
Sec's. Hold., pfd. bonus	19.00	...
United Corp., A	20.00	21.50
Do., B	10.00	11.50
Power Issues:		
Can. West. Nat. Gas. com.	24.50	28.00
Do., pfd.	85.00	90.00
Inter. Util., 7.00 pfd.	98.50	101.00
Do., 3.50 pfd.	31.00	33.50
Great Lakes Power, pfd.	101.00	102.50
Northern Ont. Power, pfd.	98.50	100.50

Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines
Dec. 20	19,600	86,500	637,000
Dec. 19	26,000	184,300	837,000
Dec. 17	13,200	124,400	647,000
Dec. 16	18,600	133,700	662,000
Dec. 15	40,300	102,100	730,000
Dec. 14	33,900	98,800	786,000

Winnipeg Stocks

(Transactions from Dec. 13 to Dec. 17)

	Sales	High for period	Low for period	Close Dec. 17
Berens River	100	1.20	1.20	1.20
Flin Flon	8,500	.03	.02½	.02½
Gold Lake	1,000	.01½	.01½	.01½
Gurney Gold	33,100	.35	.34	.35
Gt. Falls M.	3,300	.07	.05	.07
Gt. West Life	10	300.00	300.00	300.00
Monarch Life	5	25.50	25.50	25.50
Sachigo River	453	11.50	9.25	9.75
Star Lake	1,000	.01½	.01½	.01½
United Grain	18	6.75	6.75	6.75
West. Brew.	10	1.60	1.60	1.16
West. Steel	17	7.75	7.00	7.75
Wingold	500	.03	.03	.03
Wpg. R. Tin	3,000	.01½	.01½	.01½

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire	...	100
Can. Indemnity	125	...
Corr. Paper Box, c.	...	2½
Cres. Cream., pf.	...	13
Dom. Envelope	3½	5
Dom. Envelope, pfd.	97	100
Federal Grain, com.	...	1.80
Do., pfd.	30	34
Home Investment	...	17½
Nor. Can. Mtge., pf.	3	...
North. Mtge., part. pf.	3	2½
Traders Bldg.	...	90

*Stocks more active on other exchanges not included.

Bond Tenders

8 p.m., Dec. 19, Three Rivers, P.Q.—$1,193,500, 3½ or 4%, dated Nov. 1, 1938, redeemable by series of annual payments during 13 years. Jacques Denechaud, treas.

12 noon, Dec. 22, Bowmanville—$16,000, 3%, dated Jan. 1, 1939, due 1940 to 1943. A. J. Lyle, treas.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Riordon Pulp	10%	1943	Dec. 31	105
Mississippi River Power	*5%	1951	Jan. 1	105
Aluminium	‡5%	1948	Jan. 1	103
Eastern Car	‡5%	1952	Jan. 1	105
Can. Foundries	†6%	1943	Feb. 2	110
Standard Lime	§6%	1944	Feb. 1	102

For sinking fund purposes: *$152,900. †$40,000. ‡$85,900. ▲$38,000. §$13,500. ▲$3,000,000.

Municipal Bonds

Dec. 20, 1938

†Halifax	5	1961	113.00	114.50	4.00
Hamilton	5	1950	108.60	110.10	3.90
Montreal	5	1945	103.00	105.00	4.00
Ottawa	4½	1945	108.10	109.60	3.85
†Quebec	5	1958	106.00	107.50	4.44
Saint John	5	1950	107.00	108.50	4.10
†Toronto	4½	1955	112.50	114.50	3.35
†Vancouver	5	1950	88.00	90.00	6.27
Winnipeg	5	1944	97.00	100.00	3.00

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	3.60	3.90
Can. Inv. Fund	4.00	4.40
All Can. Trustee	12.25	13.00
Trans-Canada	...	13.10
Grouped Income	4.85	5.55
Can. Int. Tr., modified	5.00	5.75
Do., unmodified	4.50	5.25

Unlisted Mines

TORONTO

December 20, 1938

	Bid	Ask
Addington	.13½	.14½
Albany R.	.18	.19
Amerada	.02	.03
Arjon	.02½	.03
Armistice	.03	.03½
Argosy	.04	.04½
Arno	.01½	.02
Athona	.06½	.06½
Area	.07½	.08
Barb. Lar.	.14	.15
Big Master	.03	.03½
Bilmac	.04½	.05
Baldwin	.01½	.01½
Cuniptau	.02	.02½
Calder Bo.	.03	.03½
Camlaren	.04	.05
Cana. Pan.	.02½	.03
Cana. Kirk.	.01	.01½
Capital R.	.01½	.01½
Central M.	.03½	.03½
Cheminis	.06½	.07
Coin Lake	.03	.03½
Crowshore	.06	.07
Cent. Kir.	.15	.16
Dawson W.	.04½	.05½
Delandore	.11½	.12½
Delnite	.70	.75
Desantis (new)	.29	.31
Doreva	.02½	.03
Devon	.26	.27
Dub Gold	.17	.30
Dumico	...	.31
Dunlop (new)	.01½	.02½
East Rou.	.15	.18
Elmos	.27	.28
Frontier	.03	.03½
Galatea	.01½	.02
Gate Pat.	.02	.02½
Gilbec	.01	.01½
Goldside	.01	.01½
Golden G.	.25	.28
Golden Tr.	.04	.06
Gordon Lb.	.02½	.03½
Hallnor	8.25	8.30
Hislop	.02½	.03
Hiawatha	.75	.85
Hutch. Lake	.01½	.02½
Hugh PaP	.08½	.10
Keora	.03	.03½
Kaw Crow	.02	.03
Kenricia	.24	.26
Kewaga'a	.07½	.08½
Kirk. Gate	.09	.10
Kir. Vit.	.02½	.03
Kirk. Hunt.	.01½	.01½
Lacoma	.02	.02½
Lafayette	.01	.01½
Lake Duf.	.35	.38
Lake Rose	.03	.04
Lake Gen.	.15	.17
Lardego	.03½	.03½
Lowery P.	.46	.50
Lucky Kir.	.03½	.03½
Magnet L.	.10	.12
Magnet C.	.47	.50
Martin B	.13	.14
Mata Cana	.05	.05½
Moffatt Hall (new)	.03	.04
McFar. LL.	.01½	.01½
McGregor	.10	.13
McCarthy	.03½	.04½
McVit. Kir.	.01½	.02½
Mosher	.14	.16
Monarch	.02½	.02½
Monahia	.04½	.05
Nickel Of.	.80	.90
Norlake	.02	.03
Norbeau	.65	.68
Negus	.78	.80
North Sho.	.01	.01½
Okland	.17½	.19
O'Leary	.03	.03½
Opemiska	.06	.08
Orpit	.16	.17
Oriole	.02½	.03
Ossian	.04	.04½
Pascalis	.34	.36
Porc. Lake	.08	.10
Porcu. McN.	.00½	.01½

MONTREAL

December 20, 1938

	Bid	Ask
Abbeyville	..	.11
Amity	..	.01½
Dempsey Cad.	..	.02
Dorval Units	..	8.50
Lake Rowan	.07	.09
L. L. Lagoon	.04	.06

Government Bonds

(Supplied by Investment Dealers' Association of Canada)

Dominion of Canada Bonds

Dec. 20, 1938		Bid	Asked	Approx. Yld.
1 June '39	....	100.00	100.37	.17
15 Nov. '39	....	100.75	101.25	.63
15 Oct. '39	....	101.00	101.50	.69
15 Oct. '39	....	102.25	102.75	.68
1 June '40	....	100.50	101.00	.80
1 Sept. '40	....	105.25	105.75	1.10
15 Mar. '41	....	99.50	100.00	1.00
15 Nov. '41	....	109.25	109.75	1.56
1 June '42	....	101.62	102.12	1.38
15 Oct. '42	....	104.75	105.25	1.58
1 June '43	....	103.00	103.50	1.68
15 Oct. '43	....	113.15	113.65	2.02
1 June '44	....	100.50	101.00	1.80
15 Jan. '44	....	102.62	103.37	▲1.40
15 Oct. '44	....	112.00	112.50	2.20
15 Nov. '44	....	102.50	103.00	1.95
15 Aug. '45	....	103.37	104.12	▲1.58
15 Oct. '45	....	108.25	108.75	▲2.09
1 Feb. '46	....	112.25	112.75	2.54
1 June '49	....	103.12	103.62	▲2.71
15 Oct. '49	....	104.12	104.62	▲2.63
15 Nov. '51	....	102.25	102.75	▲2.93
1 May '52	....	111.00	111.75	▲1.42
15 Oct. '52	....	108.12	108.62	▲2.90
1 June '55	....	99.50	100.00	3.00
1 Nov. '56	....	111.00	112.00	▲2.80
1 Nov. '57	....	111.00	112.00	▲2.97
1 June '58	....	98.75	99.25	3.05
1 Nov. '58	....	111.75	112.25	▲3.07
1 Nov. '59	....	112.00	112.50	▲3.15
1 Oct. '60	....	111.00	111.75	▲2.84
15 Jan. '61	....	103.50	104.25	▲2.93
1 June '66	....	101.50	102.25	▲3.08
15 Jan. '67	....	98.25	99.00	3.05
15 Nov. '68	....	97.87	98.62	3.07
Perp. bonds	...	91.00	92.00	3.26

Dominion Guaranteed Bonds

Canadian National Railway:				
15 Jan. '42	....	101.25	102.25	1.25
15 Feb. '43	....	100.75	101.75	1.57
1 May '44	....	104.25	105.25	1.98
15 Dec. '50	....	99.00	100.00	3.00
15 Feb. '53	....	98.75	99.75	3.02
1 Sept. '51	....	114.00	115.00	3.09
1 Feb. '56	....	115.25	116.25	3.27
1 July '57	....	115.50	116.50	3.32
15 June '55	....	117.50	118.50	3.29
1 Feb. '54	....	119.00	120.00	3.34
1 July '69	....	115.00	116.00	▲2.72
1 Oct. '69	....	119.00	120.00	▲3.21
1 Feb. '70	....	119.00	120.00	▲3.26

Provincial Government Bonds

			Bid	Asked	Yld.
New Brunswick:					
3	15 Oct. '51	....	93.00	94.00	3.58
3½	15 June '56	....	96.25	97.25	3.72
	15 Nov. '47	....	102.25	103.25	▲3.46
4½	15 Apr. '61	....	104.75	105.75	4.10
	15 Jan. '60	....	110.00	112.00	4.14
Nova Scotia:					
3	2 Jan. '52	....	96.50	97.50	3.24
3¼	1 June '56	....	99.00	100.00	3.25
3½	1 Nov. '50	....	100.75	101.75	3.32
4½	15 Sept. '52	....	109.00	110.00	▲3.19
4½	15 Nov. '60	....	111.00	112.00	3.70
5	1 Mar. '60	....	117.00	118.00	3.77
Ontario:					
2½	15 May '45	....	101.25	102.25	2.12
3	1 Nov. '50	....	98.75	99.75	3.02
3¼	15 Nov. '51	....	101.00	102.00	▲3.04
4	1 June '62	....	109.00	111.00	3.32
4½	1 June '50	....	112.00	113.00	3.15
4½	15 Jan. '62	....	115.00	117.00	3.42
5	15 Oct. '48	....	114.00	116.00	3.10
5	2 Dec. '60	....	122.00	124.00	3.44
5½	1 July '46	....	115.00	117.00	2.97
Ont. Hydro Comm.:					
3	1 Aug. '48	..	99.00	100.00	3.00
3¼	1 Feb. '53	....	100.75	101.75	▲3.07
3½	1 Apr. '47	....	103.00	104.00	2.95
Prince Edward Island:					
3	1 Oct. '45	....	99.50	101.00	2.84
Quebec:					
3	1 Nov. '51	....	96.50	97.50	3.24
3¼	1 Mar. '48	....	99.50	100.50	3.18
3¼	1 June '52	....	98.50	99.50	3.30
4	15 Mar. '52	....	105.75	106.75	3.37
4¼	1 Aug. '58	....	108.75	109.75	3.57
4½	2 Jan. '63	....	112.25	113.50	3.65
Alberta:					
4	15 Dec. '54	....	53.50	57.50	‡
4½	1 Oct. '51	....	61.50	65.50	‡
4½	1 Oct. '56	....	55.50	59.50	‡
5	1 Oct. '59	....	59.75	63.75	‡
5½	1 Apr. '52	....	62.25	66.25	‡
6	1 Mar. '47	....	64.75	68.75	‡
British Columbia:					
4	1 Dec. '57	....	91.00	94.00	4.47
4½	15 Jan. '51	....	97.00	100.00	4.50
4½	1 Oct. '53	....	96.25	99.25	4.57
5	25 Apr. '54	....	99.25	102.25	4.79
5½	1 Feb. '45	....	100.00	103.00	4.93
6	15 Feb. '47	....	101.75	104.75	5.27
Manitoba:					
4	1 Dec. '57	....	78.50	82.50	5.50
4½	15 Dec. '56	....	82.00	86.00	5.76
5	2 Dec. '59	....	88.00	92.00	5.65
5½	1 Oct. '55	....	89.00	93.00	6.17
6	1 Apr. '47	....	92.50	96.50	6.55
Saskatchewan:					
4	1 Nov. '60	....	60.00	64.00	7.32
4½	1 Oct. '51	....	77.00	81.00	6.71
4½	15 Mar. '60	....	65.50	69.50	7.34
5	1 Aug. '58	....	69.50	73.50	7.60
5½	1 Oct. '52	....	70.50	74.50	8.68
6	15 Mar. '52	....	75.50	79.50	8.60

*Payable Can., N.Y., & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. §Callable on or after Sept. 15, 1936. ‡Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%. *Callable at a premium.

Dividends Declared

	This payment	Date payable	Date of record
Agnew-Surpass, pf.	$1.75	Jan. 3	Dec. 15
Asbestos Corp.	50c	Dec. 31	Dec. 15
Do., extra	$1.50	Dec. 31	Dec. 15
Assoc. Brew.	20c	Dec. 31	Dec. 15
Do., pref.	$1.75	Jan. 1	Dec. 15
Acme Glove	12½c	Jan. 3	Dec. 17
Do., pref.	$1.62½	Jan. 3	Dec. 17
Amer. Cyan., A, B	15c	Jan. 3	Dec. 15
Do., pref.	12½c	Jan. 3	Dec. 15
B. Amer. Oil	25c	Jan. 3	Dec. 17
Brockville Trust	62½c	Jan. 3	Dec. 20
Do., extra	37½c	Jan. 3	Dec. 20
B. C. El. Pr. & Gas, p.	$1.50	Jan. 3	Dec. 20
Biltmore Hats	37½c	Jan. 25	Jan. 15
Building Prod., new	17½c	Jan. 3	Dec. 21
Do., extra	10c	Jan. 3	Dec. 21
Burry Biscuit, pf.	75c	Jan. 3	Dec. 22
Bralorne Mines	20c	Jan. 14	Dec. 31
Do., extra	10c	Jan. 14	Dec. 31
Burlington Steel, c.	15c	Jan. 3	Dec. 15
Burt, F. N., pf.	$1.75	Jan. 3	Dec. 7
Do., com.	30c	Jan. 3	Dec. 7
Beatty Bros., 2nd pf.	$3.50	Jan. 3	Dec. 15
Bell Telephone	$2	Jan. 16	Dec. 23
B. C. Elec. Rly., pf.	2½%	Jan. 16	Jan. 5
B. C. Power, A	50c	Jan. 14	Dec. 31
Brazilian Tr., pf.	$1.50	Jan. 3	Dec. 15
Bk. of N. Scotia	$3	Jan. 3	Dec. 16
Belding Cort.	$1	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 3	Dec. 15
Brant. Cordage, pf.	32½c	Jan. 15	Dec. 20
Brit. Mtge. & Tr.	$4	Jan. 3	Dec. 15
Celanese of Am., p.	$1.75	Jan. 1	Dec. 16
Do., part. pf.	$5	Dec. 31	Dec. 16
Can. Packers	75c	Jan. 3	Dec. 15
Can. Nor. Pwr., pf.	$1.75	Jan. 16	Dec. 31
Do., com.	30c	Jan. 25	Dec. 31
Can. For. Invest., pf.	$2	Jan. 1	Dec. 15
Can. Gen. Elec., c.	$1.50	Jan. 2	Dec. 15
Canadian Car, pf.	44c	Jan. 10	Dec. 23
Can. Light & Pr.	50c	Jan. 16	Dec. 24
Cosmos Imp., pref.	$1.25	Jan. 14	Dec. 31
Canadian Oil, pf.	$2	Jan. 2	Dec. 20
Can. Gen. Invest.	12½c	Jan. 16	Dec. 31
Can. Celanese	75c	Dec. 31	Dec. 16
Do., pref.	$1.75	Dec. 31	Dec. 16
Can. Westinghouse	50c	Jan. 1	Dec. 20
Cons. Sand, pref.	$1.75	Dec. 28	Dec. 20
Consumers' Gas	$2.50	Jan. 3	Dec. 15
Can. Cottons	$1	Jan. 2	Dec. 16
Do., pref.	$1.50	Jan. 2	Dec. 16
Chartered Trust	$1	Jan. 3	Dec. 15
Do., extra	$1	Jan. 3	Dec. 15
Can. Perm. Mtge.	$2	Jan. 3	Dec. 15
Can. & For. Secs.	6c	Feb. 1	Jan. 16
Cariboo Gold	2½c	Jan. 3	Dec. 7
Do., extra	2½c	Jan. 3	Dec. 7
Comm. Alcohols, pf.	10c	Jan. 15	Jan. 2
Carnation Co., c.	50c	Jan. 3	Dec. 12
Carnation Co., pfd.	$1.25	Jan. 3	Dec. 12
Central C. Loan	$2	Jan. 3	Dec. 19
Central Pat. G.	4c	Jan. 3	Dec. 15
Do., extra	2c	Jan. 3	Dec. 15
Cons. Bakeries	25c	Jan. 3	Dec. 15
Do., extra	15c	Jan. 3	Dec. 15
Can. Canners, 1st pf.	25c	Jan. 3	Dec. 15
Do., 2nd pref.	15c	Jan. 3	Dec. 15
Can. Wire Box, A	37½c	Jan. 2	Dec. 15
Cons. Smelters	50c	Dec. 31	Dec. 9
Do., extra	$1	Dec. 31	Dec. 9
Confederation Life	$1.25	Dec. 31	Dec. 25
Crown Trust	$1	Dec. 31	Dec. 31
Canada Bread, pf.	$1.25	Jan. 3	Dec. 21
Do., pref. (B)	62½c	Jan. 3	Dec. 21
Do., extra	37½c	Jan. 3	Dec. 21
Can. Industries, A B	$1.50	Dec. 23	Dec. 15
Do., pref.	$1.75	Jan. 16	Dec. 31
Canada Life	$5	Jan. 3	Dec. 31
Canada Trust	$5	Jan. 2	Dec. 15
Can. Bk. of Comm.	$2	Feb. 1	Dec. 31
Can. Dredge	$1	Jan. 31	Jan. 17
Can. Fairbanks, pfd.	$1.50	Jan. 16	Dec. 31
Dom. Foundries, c.	40c	Jan. 3	Dec. 20
David & Frere, A	15c	Dec. 31	Dec. 15
Do., bonus	10c	Dec. 31	Dec. 15
Distil.-Seag., pref.	$1.25	Feb. 1	Jan. 20
Dominion Coal, pf.	38c	Jan. 2	Dec. 15
Dominion Glass	$1.25	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 3	Dec. 15
Dominion Bank	$2.50	Jan. 3	Dec. 20
Dom. Textile	$1.25	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 16	Dec. 31
Dunlop Tire, pf.	62½c	Dec. 31	Dec 15
East Can. Savings	$1.50	Jan. 1	Dec. 20
Do., extra	$1	Jan. 1	Dec. 20
Eastern Steel, pf.	$1.75	Jan. 1	Dec. 15
Frontier Royalties	*	Dec. 24	Dec. 20
Fanny Farmer	25c	Dec. 27	Dec. 15
Do., extra	50c	Dec. 27	Dec. 15
Falconbridge N.	7½c	Dec. 29	Dec. 8
Great-West Life	$5	Jan. 3	Dec. 20
Guelph & Ont. Inv.	$1.50	Jan. 3	Dec. 20
Guelph Trust	$1.25	Jan. 3	Dec. 20
Goodyear Tire	63c	Jan. 3	Dec. 15
Do., extra	$5	Dec. 29	Dec. 15
Do., pref.	62½c	Jan. 3	Dec. 15
Gatineau Power, pf.	$1.25	Jan. 1	Dec. 1
Greening Wire	15c	Jan. 3	Dec. 15
Gachin Holdings	.00¾	Jan. 3	Dec. 15
Goldale Mines	2c	Jan. 26	Jan. 14
Gt. Lakes Power, pf.	$1.75	Jan. 16	Dec. 31
Grey & Bruce Trust	2%	Jan. 3	Dec. 20
Guar. of N. Amer.	$1.50	Jan. 16	Dec. 31
Do., extra	$2.50	Jan. 16	Dec. 31
Goderich Elev.	25c	Jan. 3	Dec. 15
Huron & E. Mtge.	$1	Jan. 3	Dec. 15
Ham. Un. Theat., pf.	$1.50	Dec. 31	Nov. 30
Hedley Mascot	3c	Jan. 3	Dec. 1
Do., extra	1c	Jan. 3	Dec. 1
Halifax Fire	50c	Jan. 2	Dec. 10
Hamilton Cotton, p.	50c	Jan. 2	Dec. 15
Harding Carpets	10c	Jan. 3	Dec. 17
Hollinger Cons.	5c	Dec. 31	Dec. 16
Do., extra	5c	Dec. 31	Dec. 16
Howe Sound	75c	Dec. 23	Dec. 20
Do., extra	50c	Dec. 23	Dec. 20
Imperial Bank	$2.50	Feb. 1	Dec. 31
Indust. Accept., A	50c	Dec. 31	Dec. 21
Do., extra	12½c	Dec. 31	Dec. 21
Do., pref.	$1.25	Dec. 31	Dec. 21
Indust. Mtge.	$1	Jan. 3	Dec. 16
Intercol. Coal	$3	Jan. 2	Dec. 21
Do., extra	$2	Jan. 2	Dec. 21
Do., pref.	$4	Jan. 2	Dec. 21
Invest. Found., pf.	75c	Jan. 15	Dec. 31
Do., arrears	25c	Jan. 15	Dec. 31
Inter. Milling, pf.	$1.25	Jan. 16	Jan. 3
Inter. Nickel, c.	50c	Dec. 31	Dec. 2
Int. Nickel, pfd.	$1.75	Feb. 1	Jan. 3
Imperial Tob.	10c	Dec. 31	Dec. 9
Inter. Power, pf.	$1.50	Jan. 3	Dec. 15
Int. State Rlty., A	28c	Jan. 1	Dec. 15
Jam. Pub. Service	43¾c	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 3	Dec. 15
Lamaque Gold	10c	Jan. 2	Dec. 20
Landed Bkg.	$1.25	Jan. 3	Dec. 15
Lambton Loan	$1	Jan. 3	Dec. 16
Louisiana Land	5c	Dec. 23	Dec. 10
Lang & Sons	17½c	Jan. 3	Dec. 15
Midland Loan	40c	Jan. 3	Dec. 15
Mtl. C. & D. Bank	$3	Jan. 3	Dec. 15
Mitchell, J. S., pf.	$1.75	Jan. 3	Dec. 16
Moneta Porc.	3c	Jan. 15	Dec. 31
Moore Corp.	40c	Jan. 3	Dec. 7
Do., extra	40c	Jan. 3	Dec. 7
Do., pref. A & B	$1.75	Jan. 3	Dec. 7
McColl-Fron., pfd.	$1.50	Jan. 14	Dec. 31
Melchers Dist., pf.	30c	Dec. 31	Dec. 15
Mtl. Power	38c	Jan. 31	Dec. 31
Mtl. Ref. & Stor., pf.	$1.25	Dec. 29	Dec. 23
Montreal Tele.	80c	Jan. 16	Dec. 31
Nat. Steel Car	50c	Jan. 14	Dec. 31
New Eng. Power, pf.	$1	Jan. 3	Dec. 15
Do., $2 pref.	33⅓c	Jan. 3	Dec. 15
Niag. W. Weav.	25c	Jan. 3	Dec. 20
National Brew.	50c	Jan. 3	Dec. 15
Do., pref.	43c	Jan. 3	Dec. 15
N. S. Light, c.	$1.50	Jan. 3	Dec. 17
Nat. Grocers, pf.	$1.75	Jan. 2	Dec. 20
National Trust	$2	Jan. 3	Dec. 21
Nor. Ont. Power	75c	Jan. 25	Dec. 31
Do., pref.	$1.50	Jan. 25	Dec. 31
North Star Oil, p.	8¾c	Jan. 3	Dec. 15
Ogilvie Flour, c.	25c	Jan. 3	Dec. 19
Ont. Loan & Deb.	$1.25	Jan. 2	Dec. 15
Ottawa L. & Pr., n	25c	Jan. 1	Dec. 17
Do., pref.	$1.25	Jan. 1	Dec. 17
Page-Hersey	$1	Jan. 3	Dec. 15
Pickle Crow	10c	Dec. 31	Dec. 15
Premier Gold	3c	Jan. 16	Dec. 16
Paymaster Cons.	1c	Jan. 16	Dec. 31
Pioneer Gold (B.C.)	10c	Jan. 3	Nov. 26
Power Corp. pf.	$1.50	Jan. 16	Dec. 31
Do., pref.	$1.50	Jan. 16	Dec. 31
Do., 2nd pref.	75c	Jan. 16	Dec. 31
Porto Rico Pwr., p.	$1.75	Jan. 3	Dec. 15
Para. Pictures pf.	$1.50	Dec. 24	Dec. 16
Do., 2nd pf.	15c.	Dec. 24	Dec. 16
Prov. Paper pf.	$1.75	Jan. 3	Dec. 15
Quebec Gold	12c	Dec. 28	Dec. 21
Quebec Power	25c	Feb. 15	Jan. 25
Reno Gold	1½c	Jan. 3	Dec. 10
Remington-Rand	20c	Jan. 3	Dec. 9
Do., pref.	$1.12½	Jan. 3	Dec. 9
Real Est. Loan	$1	Jan. 2	Dec. 15
R. S. Mills, A	50c	Jan. 3	Dec. 15
Russell Ind.	$1.50	Dec. 31	Dec. 15
Do., extra	$1	Dec. 31	Dec. 15
Do., pref.	$1.75	Dec. 31	Dec. 15
Securities Hold., p.	65c	Jan. 3	Dec. 22
Sterling Trusts	$1.50	Jan. 3	Dec. 20
Sun Life	$3.75	Jan. 1	Dec. 16
Sheep Creek G.	3c	Jan. 14	Dec. 31
Do., extra	1c	Jan. 14	Dec. 31
Smith, H., Pap., pf.	$1.50	Jan. 16	Dec. 31
Sylvanite Gold	5c	Dec. 30	Nov. 21
Simon & Sons	15c	Dec. 30	Dec. 15
Do., pref.	$1.75	Dec. 30	Dec. 15
South. Am. Gold	10c	Dec. 20	Dec. 10
Sher.-Williams, pf.	▲$1.75	Jan. 3	Dec. 15
South Can. Pwr.	20c	Feb. 15	Jan. 31
Do., pref.	$1.50	Jan. 16	Dec. 20
Stedman Bros.	15c	Jan. 1	Dec. 20
Do., pref.	75c	Jan. 1	Dec. 20
Supersilk H., 1st pf.	$2.50	Jan. 2	Dec. 16
Supertest P., c. & ord.	50c	Jan. 3	Dec. 16
Do., extra	25c	Jan. 3	Dec. 16
Do., pref. (B)	75c	Jan. 3	Dec. 16
Stand. Steel pf.	75c.	Jan. 1	Dec. 27
Stand. Fuel pf.	$1.62½	Jan. 1	Dec. 15
Tip Top Tailors pf.	$1.75	Jan. 3	Dec. 20
Do., pref.	15c.	Jan. 3	Dec. 20
Trusts & Guar.	$1	Jan. 2	Dec. 17
Tamblyn	20c	Jan. 3	Dec. 15
Do., pref.	62½c	Jan. 3	Dec. 15
Thayers, pref.	$3.50	Jan. 1	Dec. 20
Teck-Hughes	10c	Jan. 2	Dec. 9
Tor. Gen. Trusts	$1	Jan. 3	Dec. 17
Toronto Mtge.	$1.50	Jan. 3	Dec. 15
Tuckett Tob., pf.	$1.75	Jan. 14	Dec. 31
Un. Bond & Sh.	15c	Jan. 15	Dec. 31
Viau pref.	$1.25	Jan. 3	Dec. 20
Ventures	10c	Jan. 4	Dec. 16
Waterloo Trust	$2.50	Jan. 3	Dec. 23
Weston, Geo., pf.	$1.25	Feb. 1	Jan. 14
Do., com.	20c.	Jan. 2	Dec. 15
West. Grocers	75c	Jan. 15	Dec. 20
Do., pref.	$1.75	Jan. 15	Dec. 20
Wabasso	25c	Jan. 3	Dec. 17
West. Assur., pf.	$1.20	Jan. 3	Dec. 31
West Koot. Pr., pf.	$1.75	Dec. 31	Dec. 14
Wr.-Hargreaves	10c	Jan. 3	Nov. 23
Do., extra	5c	Jan. 3	Nov. 23
Do., interim	10c	Jan. 16	Dec. 1

‡Initial. ▲On arrears.
*Rate to be declared later.

DIVIDEND NOTICES

The Dominion Bank

Dividend No. 225

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1938, making a total distribution of ten per cent for the current year — the Dividend will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the third day of January, 1939, to shareholders of record of the 20th December, 1938.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 17th November, 1938.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.50 per share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

3rd January, 1939,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,

WALTER GILLESPIE,
Manager.

1st December, 1938.

Ottawa Light Heat and Power Company, Limited

Quarterly dividends as follow are payable 1st January, 1939, to Shareholders of record 17th December, 1938:

Preferred Stock: 1¼%, (being at the rate of 5% per annum.)

Common Stock: 25 cents per new share, being at the rate of $1.00 per annum. (One share of old stock now held is equivalent to four shares of the new stock shortly to be issued.)

The transfer books will not be closed.

By Order of the Board,

F. W. FEE,
Secretary.

Ottawa, 12th December, 1938.

Quebec Power Company

NOTICE is hereby given that a dividend of twenty-five (25c) cents per share has been declared on the no par value common shares of the Company for the quarter ending December 31, 1938, payable February 15, 1939, to shareholders of record January 25, 1939.

By Order of the Board,

JAMES WILSON,
Secretary.

Montreal, December 19, 1938.

A. J. PATTISON JR. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

Flour Exports At Good Level

Both Wheat and Flour Movement Running at Season's Peak

While flour exports last month showed some decline from October, nevertheless they were the best for this period since 1935. Compared with last year and 1936 the most recent month was up over 75,000 barrels. Price per barrel, however, was down considerably from former years and averaged 10 cents below October.

Wheat exports in November were the largest in many months. During most of the month weekly exports were running around five million bushels. This big outflow continued up to December but recently has shown sharp contraction due to the nearness of Argentine wheat marketing season.

Flour Exports

November:	Quantity Barrels	Value $	Average Export Price $
1935	525,368	2,217,926	4.22
1936	408,653	1,939,289	4.74
1937	405,921	2,431,046	5.98
1938	477,875	1,560,868	3.26
Oct., 1938 ...	528,601	1,778,718	3.36
12 Mos. ended November:			
1935	4,777,980	18,431,572	3.85
1936	4,818,617	20,143,033	4.18
1937	4,224,615	24,268,856	5.74
1938	3,884,479	18,446,080	4.74

Wheat Exports

November:	Quantity Bushels	Value $	Average Export Price $
1935	26,575,296	21,742,851	0.81
1936	33,308,840	36,620,971	1.09
1937	14,542,227	17,900,740	1.23
1938	21,703,514	12,727,305	0.58
Oct., 1938 .	24,579,370	15,589,901	0.63
12 Mos. ended November:			
1935	165,964,995	136,886,229	0.82
1936	239,657,496	217,692,764	0.90
1937	109,790,996	139,177,527	1.26
1938	104,882,036	88,501,354	0.84

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, the twenty-fifth day of January, 1939, at the hour of 2.30 o'clock in the afternoon.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 8th December, 1938.

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable January 3rd, 1939, to Shareholders of record as at close of business December 15th, 1938.

W. S. BARBER,
Secretary-Treasurer.

TORONTO, Ontario.

Windsor Court Apartments, Limited

To the Holders of the Six Per Cent First Mortgage Fifteen Year Sinking Fund Gold Bonds of Windsor Court Apartments, Limited.

Notice is hereby given that Coupon No. 15 of the above mentioned Bonds, payable December 1st, 1934, will be paid at its face value on and after January 3rd, 1939, upon presentation at any office of the Bank of Nova Scotia in Canada.

By Order of the Board,

W. C. JAMES, Secretary.

National Steel Car Corporation Limited

Notice of Dividend

Notice is hereby given that a dividend of fifty cents (50c) per share has been declared, payable January 14th, 1939, to shareholders of record at the close of business, December 31st, 1938.

By order of the Board.

CHAS. W. ADAM,
Secretary.

Hamilton, Ontario,
December 15th, 1938.

The Bank of Nova Scotia

Notice is hereby given that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis and Prince Streets, Halifax, on Wednesday, the 25th January next, at eleven o'clock, a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors and for other business.

By order of the Board.

H. F. PATTERSON,
General Manager.

Halifax, N.S., December 16th, 1938.

Montreal Light Heat & Power CONSOLIDATED

90th Quarterly Dividend

NOTICE IS HEREBY GIVEN that a dividend of thirty-eight cents per share (being at the rate of one dollar and fifty cents per annum) on the no-par-value common shares of the Company presently issued and paid up for quarter ending December 31st, 1938, has this day been declared to shareholders of record December 31st, 1938, on the Montreal and London, England, registers.

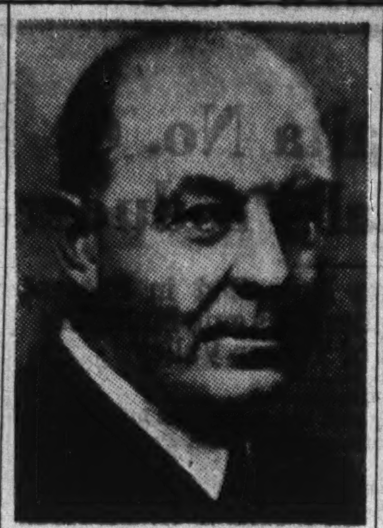
Dividend cheques will be mailed to registered shareholders January 31st, 1939.

By Order of the Board,

G. R. WHATLEY,
Secretary.

Montreal, December 19th, 1938.

Owned by 50,000 shareholders and debenture holders, Montreal Light Heat & Power has more customer-owners than any other utility company in Canada



STEEL DIRECTOR—

Thomas Arnold, Montreal, who has been elected a director of Algoma Steel Corp. Mr. Arnold is chairman of Manitoba Steel Foundries, Commercial Alcohols Ltd. and a director of Railway Engineering Co.

Asks Education Business Head

Winnipeg Board of Trade Advocates Manager for Department

The Winnipeg Board of Trade in its submission to the Royal Commission investigating the municipal finances finds weaknesses in the city's school administration.

"It is found that those engaged in administering the Winnipeg school system are predominantly persons of educational rather than of business experience," the brief states. "The practical effect of this is that the emphasis is placed on the educational side of the administration and the business aspect is subordinated to it, a great deal of time being given to educational experimentation.

"It appears also that insufficient attention is given to the average income, standard of living and ability to pay of the taxpayers. The result is that of a total general property tax rate of 34½ mills, nearly one half, or 15.526 mills is devoted to school purposes."

The Board of Trade committee asserts that education in Winnipeg is extensive and ambitious. The crowded curriculum includes many modern innovations, but the committee concludes that purely cultural training is tending to restrict the time available for fundamentals.

The appointment of a business manager is advocated by the brief.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 208

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st January, 1939, and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st February next, to shareholders of record at the close of business on 31st December, 1938. The Transfer Books will not be closed.

By Order of the Board,

A. E. ARSCOTT,
General Manager.

Toronto, 16th December, 1938.

Building Products Limited

Dividend Notice

That a quarterly dividend of Seventeen and One-half Cents (17½c) per share, being at the rate of Seventy Cents (70c) per share, per annum, be and the same is hereby declared upon the no par value Capital Stock of the Company totalling 483,384 shares in respect of the three months ending December 31st, 1938, and an extra dividend of Ten Cents (10c) per share be and the same is hereby declared from the profits of 1938, such dividends to be payable on January 3rd, 1939, to shareholders of record of the no par value Capital Stock of the Company at the close of business on December 31st, 1938.

By order of the Board.

R. C. CROOKER,
Secretary-Treasurer.

The British American Oil Company Limited

NOTICE is hereby given that a dividend of Twenty-five Cents (25c.) per share has been declared on the issued No Par Value capital stock of the Company for the fourth quarter ending December 31st, 1938. The above dividend is payable in Canadian funds, January 3rd, 1939, to shareholders of record at the close of business on the 17th day of December, 1938.

Share Warrant Holders will present coupons, Serial No. 33, to any branch in Canada of The Royal Bank of Canada, who will negotiate them at par, or at the London, England, branch of The Royal Bank of Canada, at the buying rate for sight exchange on Canadian dollars, on or after January 3rd, 1939.

H. H. BRONSDON,
Secretary.

Dated at Toronto, December 14, 1938.

Imperial Bank of Canada

DIVIDEND NO. 194

Notice is hereby given that a Dividend of two and one-half per cent (2½%) has been declared for the quarter ending the 31st January, 1939, payable at the Head Office and Branches on and after Wednesday, the 1st day of February next, to shareholders of record of 31st December, 1938.

By order of the Board.

H. T. JAFFRAY,
General Manager.

Toronto, 14th December, 1938.

Dividend

Biltmore Hats Limited

Notice is hereby given that a final dividend of 37½c for the fiscal year ended November 30th, 1938, has been declared on the Capital Stock of Biltmore Hats Limited, the said dividend to be paid on January 25th, 1939, to shareholders of record January 15th, 1939.

By Order of the Board.

WM. F. FRANKE,
Secretary-Treasurer.

Guelph, Ontario.
December 19th, 1938.

Week in Wheat

Cold Weather Menaces Wheat Crops in Europe

Heavy Livestock Feeding of Cheap Wheat Is Another Bullish Factor — Holiday Dullness Prevails on Most Markets

From Our Own Correspondent

WINNIPEG.—European markets consider as bullish the very cold weather being experienced across the Atlantic. Heavy damage to winter wheat is possible, although by no means certain. Of immediate importance is the increased demand both for human food and for livestock feed.

After recent slack business, export sales on the Winnipeg market picked up to a considerable extent early this week. Orders were mostly in connection with bookings from Vancouver. Later, holiday dullness began to make itself felt and is likely to continue until beginning of the New Year.

Buyers Hesitate

Canadian overseas shipments of wheat and flour recently have been sharply reduced in comparison with the scale prevailing up to the middle of November. This is part of a general reduction of world shipments. Decline seems due mainly to a period of hesitation on the part of British buyers until they can secure an idea of the quality of the Argentine crop.

Recent purchase of 25 million bushels of North American wheat by British millers relieved them of any apprehension about immediate supplies.

* * *

Big Argentine Crop

The Argentine Government estimate of 315 million bushels for its current wheat crop is regarded as somewhat bearish. It must be remembered, however, that the trade had been well aware for a considerable time that Argentina's wheat crop was much above the average, and the government estimate did not exceed by more than 20 million bushels or so what had been expected.

So far as market pressure during the next six months is concerned, the size of the crop is perhaps offset by the fact that, so long as present price levels continue, the Argentine Government under its guarantee will be handling most, if not all, of the wheat exported.

In previous years direct loss to the Government has been avoided by a very skilful manipulation of exchange, but it is doubtful if corresponding success can be attained this year. On that account, and also because the storage facilities in Argentina have recently been increased, the country is likely to spread its marketings fairly well over the whole calendar year, instead of endeavoring to dispose of most of it during the first six months.

* * *

End of Bearish Factors

With the Argentine estimate finally published, perhaps the last of the bearish factors in the wheat situation has developed, and attention will begin to be given to those of the opposite nature.

Most important of these at the moment is the outlook for United States production in 1939. More than 10 million acres have been cut off last year's winter seedings. To some considerable extent at least this acreage reduction must be attributed to the large benefits offered by the agricultural administration of the United States for acreage reduction. It may reasonably be assumed that farmers in the spring wheat belt will be correspondingly influenced to reduce acreage in the spring.

Total acreage reduction for the United States may run as high as 13 millions. On top of that, prospects over a large part of the winter wheat acreage are regarded as very poor, on account of the condition in which the crop has gone into the winter. The United States, therefore, may not produce in 1939 any more than a year's domestic requirements. While the carryover in that country will still be large, it will, to a great extent, be concentrated in government needs, and the Government may be willing to hold it in order to try to keep domestic wheat price at a more satisfactory level than now prevails.

* * *

Cheapness Recommends It

Another constructive factor is the prospect that wheat disappearance during the crop year will be extraordinarily large, exceeding all previous levels. The lower grades of wheat in Great Britain now represent more economical livestock feed than corn, and large-scale consumption on that account is likely to take place. In the Danubian countries, low prices are believed to be inducing a very much larger than normal use of wheat, both for human consumption and for feed. Both Germany and Italy are importing wheat in considerable quantity.

In India there are fears that the wheat crop may be very short on account of failure of rains to materialize at the critical moment, although the Indian Government recently put on a duty intended to check imports from Australia which were beginning on a considerable scale. India may yet have to import large quantities.

There is increasing recognition of the fact that the current world wheat surplus, while partly the result of large acreage, is also due to extraordinarily favorable weather for Europe and the Americas taken as a whole. It is quite possible for the succeeding world crop to fall as much below the average as that of 1938 was above.

National Steel Seeks Capital

Will Issue Stock Rights to Cover Outlay — Save Working Capital

From Our Own Correspondent

MONTREAL.—National Steel Car Corp. has called a meeting of its shareholders for Dec. 28, to pass on a plan to increase the authorized capital stock from 130,000 to 250,000 shares no par value. At the same time, authority will be given to the board to issue this stock from time to time at prices to be determined by the directors, but not exceeding $35 a share.

The company also announces that in order to cover capital expenditures already made and proposed, shareholders will be offered the right to subscribe to 45,500 of the new shares at $35 each. These will be issued on the basis of 3½ shares for every 10 shares held, which would make the rights worth around $8 each on the present market value of $68 a share.

Outline Capital Outlay

In a letter to the shareholders, R. J. Magor, chairman and president, points out that the company's total expenditures for the aircraft division are expected to total $1,401,933 of which sum $495,266 had been spent up to June 30, 1938, and another $100,000 since then. In addition, the company plans to spend $640,000 by the spring of 1939, plus $166,666 in the purchase of stock in Canadian Associated Aircraft.

Plans for capital expenditures for improved car shop facilities will require approximately $500,000, while $450,000 will be spent on miscellaneous facilities. An amount of $85,833 has been set up for contingencies.

The total of completed and projected capital improvements from Jan. 1, 1937, to Dec. 1, 1939, aggregates $2,437,666. Against this, the company has already spent $495,266 out of working capital, while $350,000 of the expenditures on miscellaneous facilities has already been provided in the costs, and included in the estimate for production during 1939.

The net capital outlay totalled $1,592,500, which will be covered by the issuance of 45,500 shares at $35 each.

The chairman's letter also includes the balance sheet as of Nov. 30, 1938. This showed current assets at $2,786,798, and current liabilities at $354,095, leaving a net working capital of $2,432,702.

The chairman points out "It will be seen that all the money required for improvements contemplated could be taken from working capital, leaving a balance of approximately $850,000. In the opinion of your directors, however, it is advisable to provide for these capital expenditures, a large part of which relate to the development of the aircraft manufacturing division of the business, by the issue of additional capital stock and thus to conserve the strong working capital position of the company."

DIVIDEND NOTICES

George Weston Limited

Preferred Dividend No. 12

Notice is hereby given that a dividend of One Dollar and twenty-five cents ($1.25) per share has been declared on the 5% Cumulative Redeemable Convertible Preference Shares of George Weston Limited, payable on the 1st day of February, 1939, to shareholders of record at the close of business on the 14th day of January, 1939.

By order of the Board.

W. H. KEMP,
Assistant Secretary.

Toronto, 15th December, 1938.

EST. 1857
Grain Merchants Shippers & Exporters
Pioneers IN THE EXPORTING OF CANADIAN GRAIN
JAMES RICHARDSON & SONS *Limited*
[illegible]

LAKE OF THE WOODS MILLING CO., Ltd.
Makers of FIVE ROSES FLOUR
Mills at
Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat
DAILY CAPACITY 20,000 BARRELS
President FRANK S. MEIGHEN, C.M.G.
General Manager C. H. G. SHORT
Vice President HUGH MACKAY, K.C.
Directors
C. H. G. SHORT, JOHN W. HOBBS, HUGH MACKAY, K.C.
WALTER MOLSON, ISAAC PITBLADO, K.C., R. W. REFORD
J. W. PYKE, PAUL F. SISE, G. W. ALLAN, K.C., J. R. PILLMAN
FRANK S. MEIGHEN, C.M.G., RT. HON. LORD SHAUGHNESSY, K.C.
Secretary D. A. MacINNES
Treasurer R. R. HUTCHISON

Dominion Foundries Seeks To Assure Stabilized Work

Extension of the long-standing efforts to stabilize employment by Dominion Foundries & Steel Ltd., Hamilton, was recently launched by the management. Employees are being asked to submit suggestions for methods by which more or less permanent employment can be given to as large as possible a nucleus of plant workers, and to spread employment for all workers throughout the year as far as practicable.

Assurance is given that such suggestions will be carefully studied and investigated, and experimented with if they appear feasible. Study is already being given to possible means of stabilizing employment, in particular to a plan proposed at another industrial plant to fit men for working in another department when their own department is closed down or operating on short time.

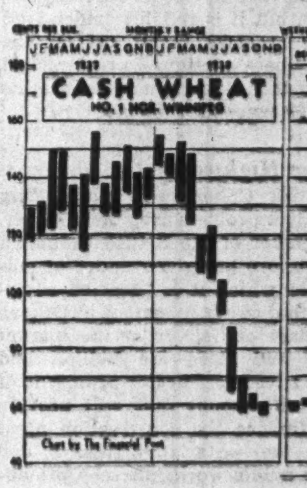
In durable goods industries such as that in which Dominion Foundries operates, it has proved difficult to even out orders and production so as to assure a desirable minimum of employment each year, even to such firms more or less permanent nucleus of plant workers. Regular workers must be employed in accordance with the ebb and flow of orders, while normal staff has to be supplemented from time to time by additional workers to cope with heavy volume of operations.

In past years, however, Dominion Foundries has made considerable progress toward expanding volume of employment and putting it on a more continuous basis, chiefly through expansion and diversification of operations. Particularly in the open hearth and plate mill departments, workers have benefitted from extension of rolling mill operations and from installation several years ago of the cold rolling mill and tin plate department.

Change Head Office

A special meeting of shareholders of International Metal Industries, Ltd., is being held on Dec. 23, 1938, when shareholders will be asked to approve a change in the location of the company's head office from Toronto to Woodstock, Ont.

Wheat Prices



(Cash Quotations)

	For Week Dec. 20 High	For Week Dec. 20 Low	Prev. Week High	Prev. Week Low
1 Hard	[illegible]	[illegible]	[illegible]	[illegible]
1 Northern	[illegible]	[illegible]	[illegible]	[illegible]
2 Northern	[illegible]	[illegible]	[illegible]	[illegible]
3 Northern	[illegible]	[illegible]	[illegible]	[illegible]
4 Northern	[illegible]	[illegible]	[illegible]	[illegible]
5 Wheat	[illegible]	[illegible]	[illegible]	[illegible]
6 Wheat	[illegible]	[illegible]	[illegible]	[illegible]
Feed Wheat	[illegible]	[illegible]	[illegible]	[illegible]

Competitive Export Prices: Dec. shipments.

	Week to Dec. 20 High	Week to Dec. 20 Low
No. 1 North. (Vanc.)	[illegible]	[illegible]
No. 1 U. S. dark†	[illegible]	[illegible]
No. 2 U. S. dark†	[illegible]	[illegible]
No. 3 North. (Atlan.)	[illegible]	[illegible]
U. S. White Pac., Jan.-Feb.	[illegible]	[illegible]
Australian (afloat)	[illegible]	[illegible]
Argentine Rosafe	[illegible]	[illegible]
Roumanian	[illegible]	[illegible]

†Hard winters, Dec.-Jan. [illegible] Jan.-Feb.

Winnipeg Grain Futures

Week to Dec. 20, 1938

Crop year from Aug. 1, 1938 High	Low		Open Dec. 14	High for week	Low for week	Close Dec. 20	Close year ago
		Wheat					
.79⅝	.58	Dec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
.79⅛	.60⅛	May	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
.65	.60⅛	July	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		Oats					
.31½	[illegible]	Dec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
.33¼	.27½	May	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
.29⅛	.27⅛	July	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		Barley					
.44⅛	[illegible]	Dec.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
.44⅞	[illegible]	May	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
.38⅞	[illegible]	July	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		Flax					
1.49¾	1.35¼	Dec.	[illegible]	[illegible]	1.43	1.43	[illegible]
1.43¾	1.36⅝	May	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		Rye					
.47½	.38⅜	Dec.		[illegible]	[illegible]	[illegible]	[illegible]
.47⅛	.38⅝	May		[illegible]	[illegible]	[illegible]	[illegible]
.43	.40	July		[illegible]	[illegible]	[illegible]	[illegible]

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The Week in Mining

North Kirkland Drive Raises Big Possibility

Toburn Proposition to Join Lake Shore in Hunt For Northern Break is Announced—Score of Properties Concerned in the Result

The answer is now being sought to one of the most exciting mine questions in Canada.

Is there another Kirkland Lake camp yet to be developed to the north of present workings? Is there a new Macassa, Teck Hughes, Lake Shore or Wright Hargreaves waiting to be opened up?

It is believed that there is another break running through this northern belt. But not for some time yet will the answer as to its riches be known.

Lake Shore has an option to purchase, running until 1940, on the claims adjoining it on the north, the property of Kirkland Basin Gold Mines. From its 3,000-foot level, Lake Shore is pushing out a crosscut to the north and at latest report has gone 1,300 feet to its own boundary and another 500 feet into the Basin ground. But there is still another 500 feet to go before engineers expect hot ground. Then there will be a lot of work to do before the whole story will be known.

* * *

Toburn Also Pioneers

Now Toburn takes up the same idea. Toburn has made a proposition to its neighbor on the north, Federal Kirkland, that it take a deal whereby Toburn will run a crosscut from its 1,100 level or lower piercing the Federal Kirkland ground. Information thus gleaned would be a very important complement to the story Lake Shore will have to tell about its results on the west through the Basin property.

It is perhaps an indication that prospects are considered good, that Toburn also suggests that the Federal Kirkland and its neighbor to the east, Kirkland Combine, should merge. This would give Toburn et al a great length along what is believed to be the line of strike.

Teck-Hughes in the past has done some drilling to the north but did not get far enough for conclusive results. Probably the success of its Lamaque made the search a little less energetic. Lack of energy in this regard is an economical policy. At least a dozen properties will be concerned with the results of the Lake Shore and Toburn pioneering. The Teck-Hughes property has good width on the north and if there is new ore up there, Teck will be in nice position to make use of it.

* * *

New Porcupine Hopes

Some highly encouraging returns from exploration work in Cote township, some 25 miles northwest of Timmins, are reported. More than 50 claims have been registered in recent weeks, most of them clustered around the centre of the township, edging to the west. The formation is said to be a red porphyry with quartz intrusions carrying sulphides. In one place, toward the western side of the township, it is claimed that the break, running in a northeast direction, has been clearly established. Some of the samples were very high grade, two running $174 and $198 per ton. Some of the stakers to date are Henry Veniotte, staker of Uchi; Mike Knox, W. T. Montgomery, Gus Swanson and others.

* * *

Drang Nach Norden

Hitler has his "drang nach osten." Mr. Aberhart now has his "drang nach norden."

The Social Credit leader's anxiety to incorporate within his province the whole vast area of the Yellowknife and the Great Slave is quite understandable. Calgary has its oil field. Edmonton has its great mining hinterland, but for Mr. Aberhart's purposes it would be more convenient if this rich, promising "continent" were securely attached to his bailiwick where it could be forced into paying tribute.

We have all the goodwill in the world for Edmonton, which promises to be one of the great cities of Canada, but it does not seem necessary for the profit of Edmonton business that the hinterland should be attached politically. Edmonton has and can have no real competition as the trade outlet for the North. There can be no tariff boundaries established within the Dominion.

* * *

Heads I Win—

Hence, the northerners would only be cutting themselves in on a great big chunk of debt which they had no part in creating, and on some fancy taxes for the costs of provincial government. For them it's a heads He wins, tails we lose proposition.

As for getting something out of Alberta in return, what could it be? The Yellowknife and the Great Slave are specifically airplane areas and, so far as anyone now living can see, always will be. Hence highways are unnecessary. Mining companies must have electric power, so the northern citizens need not fear having to listen to their radios by coal-oil lamps. As for police, it is not noticeable that the records of any provincial police force indicate they are better than the Royal Canadian Mounted, who, incidentally, are currently acting for the Province of Alberta anyway.

Most convincing of all that northern communities do not need to put themselves to extra expense to enjoy the blessings of government by Alberta is the record of mine managers and the condition of mine communities all across Canada. No frontier has so many model houses, such neat and efficient community systems as mining frontiers. No system of local government is more efficient than the "keep them comfortable, let 'em be" rule of the mining communities.

* * *

Decision of the Canadian Government to issue special silver coins commemorating this summer's visit of the King and Queen is being hailed with delight and is a notable demonstration of executive wisdom—above all in British Columbia.

As a big silver producer and as a vast potential silver producer if the price were better, British Columbians are ever on the lookout for anything that is a boost for silver.

* * *

Ready By Spring

How many silver coins the Government plans to mint for the big event or how much silver will be consumed thereby, officials refuse to state.

Canada's new silver dollar is expected to make its appearance some time in the spring as nearly as possible to coincide with the Royal visit. As in the case of the Coronation dollar, it is expected that the first issue at least will be limited though no specific number has yet been considered.

The rough design approved by the Government calls, on one side, for the uncrowned head of King George VI. It will be surrounded by the Royal title and the inscription, "Fide Suorum Regnat," of which the official government translation is: "He reigns in the loyalty of his people." There is some suggestion, however, that the word "through" should be substituted for "in." It is rumored that official circles discarded the word "through" as a too-democratic touch. On the other side the centre block of the Dominion Parliament Buildings will be shown in relief. Under it will be the word "Canada," the year, and below this the dollar designation.

For some reason the name of the designer has not been officially released, but it is reliably understood to be Emanuel Hahn, one of the trio whose designs were picked when the Government issued its new George VI coinage.

* * *

Silver Highways

British Columbia is not letting the silver problem drop there, either. A member of the British Columbia Legislature has given notice of motion in which it is "deemed advisable that our government at Ottawa purchase our silver at the market price and store the bullion and issue silver certificates against it of such an amount that will provide and finance the construction of at least two arterial highways and other public works, thereby providing employment and thereby relieving the province of the burden of our unemployment."

Waite Amulet Sets Dates For Rights

Increase in Capital is Approved—Two New Shafts Started

Shareholders of Waite Amulet Mines of record 1 p.m., Jan. 7, 1939, are being offered the right to purchase one new share at $6 for each 10 shares held. Rights expire Feb. 15, 1939.

Approval of an increase in capital from 3 to 3.5 million shares was given at a special meeting last week.

A new central shaft, 2,000 ft. northeast of the new ore body, was down 45 ft. and the new "A" shaft, 50 ft. west of the new ore body, was down 25 ft., President Murdoch said. Diamond drilling circling the lower "A" ore body looking for extensions or other ore deposits is continuing, with the ore body apparently fairly well outlined.

Hole No. 25, 160 ft. west of the northerly part of the ore body, returned 27 ft. of core running 70 cents in gold, 4.8% copper and 1.6% zinc. Hole 34, 200 ft. south had not encountered ore to 1,272 ft. depth. Another hole 200 ft. north of hole 25 was down 975 ft. with drilling continuing. Other holes 500 and 770 ft. west and 70 ft. south of the ore area were blanks while one put down 50 ft. south of the ore area returned 5 ft. of ore averaging $1.40 in gold, 6.3% copper and 5.8% zinc.

Mill has averaged 446 tons daily the last three weeks, it was stated, with estimated value of production $140,000 monthly. New 1,000-ton mill should be completed by the end of 1939 and will treat ore from the Waite ore body until the end of 1940 when ore should be available from the new lower "A" ore body.

Malartic Gold Fields Will Sink Shaft; Order Plant

Shaft sinking equipment has been ordered for Malartic Gold Fields, according to J. P. Norrie, general manager, and sinking of a shaft will be commenced as soon as it is installed.

During November, 13 holes were drilled on the north contact, each one of which intersected ore of important width and grade in continuous diorite dykes, intruding the greenstones, Mr. Norrie states. The main ore zone in this section is nearly vertical with an indicated length of 1,100 ft. averaging $9.10 per ton across a width of 12.5 ft. A similar zone, 50 ft. to the north, has a length of 800 ft. averaging $6 per ton across an average width of 12 ft. A third zone has been cut in one drill hole to the south showing important width and grade, it is stated.

New Tariff May Assist Reeves MacDonald Mine

Recent changes in United States zinc tariff, as it respects Canada, may assist Reeves MacDonald Mines, although London metal prices are still too low to consider production, Lewis P. Larsen, president, states in the company's annual report.

Additional work will be carried out next spring, when snow permits, under present plans. About 2,000 ft. of tunnels and crosscuts were completed from March 1, 1937, to Aug. 31, 1938, bringing working tunnel 5,360 ft. from the portal. No important discoveries of new ore bodies were made in this work.

Balance sheet at Aug. 31, 1938, shows current assets of $8,155 including cash of $1,185. In addition, company held $30,000 of Pend Oreille 6% first mortgage bonds. Current liabilities were $784.

Nickson Joins Montreal Curb

From Our Own Correspondent

MONTREAL. — John E. Nickson has been elected a member of the Montreal Curb Market. He entered the securities business in Feb., 1934, with A. E. Ames and Co., with whom he has since been associated.

Mining Growth in Porcupine Points to Large Community

From Our Own Correspondent

TIMMINS.—The Porcupine camp is recovering gold at the rate of over $45,250,000 per year, according to last month's production figures.

Three years ago the camp's producing mills were treating a total of 10,250 tons per day. Now these mines, plus new entrants, are treating 14,150 tons per day. The mills now being planned or erected will bring this total close to 17,500 tons by the end of 1940.

In January, 1936, the camp's population, as contained in Timmins, Schumacher (the boundary line here has practically disappeared), South Porcupine and Golden City, was close to 28,000 people in a strip of ground about seven miles long. Post office figures now indicate a total of around 40,000 people with steady extension of new houses from one end of the camp to the other has been completed.

This rapid expansion of population, 12,000 people in three years, has placed a severe strain upon the municipal services. This strain promises to be noticeably increased in the next two years owing to the fact that mill expansion implies a population of at least 52,000 people by the end of 1940.

Permanent structures in brick, steel, concrete and other materials are becoming more plentiful. The new Town Hall opened the past summer is a credit to any community. Flanked by the stone post office and St. Mary's Hospital (now with a capacity of 150 beds), the Town Hall block constitutes a substantial investment. There are four theatres in Timmins, one in Schumacher and one in South Porcupine. This past week the McIntyre opened a new $175,000 artificial ice rink. Ambitious plans are being entertained for a real community centre.

With the exception of rents, aggravated by the acute housing shortage, living costs are as low as anywhere in Ontario. This is directly reflected in lower mining costs. Electric power rates are said to be lower than anywhere else in the province.

CAPITAL INCREASED

Shareholders of Pandora Cadillac Gold Mines approved an increase in authorized capital from three to four million shares at a special meeting held on Dec. 19. No arrangements have yet been made for sale of this stock. A customs mill may probably be built in the Cadillac area to treat 50 tons of ore daily from Pandora Cadillac, the same amount from Wood Cadillac and 100 tons of ore daily from Central Cadillac Gold Mines.

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The Week in Oils

Declares Okalta No. 6 Commercial Producer

Long Series of Misfortunes Now End in Success, Herron Says—Oil Men Believe It Again Multiplies Potential Reserves of Turner Valley

From Our Own Correspondent

CALGARY.—Okalta 6, the mystery well and the deepest in the British Empire, has now proved itself a commercial producer, President W. S. Herron assures The Financial Post.

Because of its location far to the west of the proved southern producing zone of Turner Valley, Okalta 6 is just as significant for the future of the field as Home 2 in the northwest.

For weeks, since drilling was completed, workmen have been fighting against an exasperating series of misfortunes. This week the well was successfully cemented and after careful, old-fashioned swabbing, crude shot 150 feet in the air, drenching everything and everyone in the neighborhood.

How good a producer the well will prove it is too early to say, but its preliminary performance indicates that it may be a very good one.

According to President Herron, the oil column in the well seems to be about 8,000 feet. Oil men here have concluded from the well's performance that oil is coming from the formation into the well faster than gas is available to force continuous flow.

The company plans to give the well an acidization — its first complete treatment—and Mr. Herron says he expects that thereafter gas pressure will be sufficient to ensure continuous flow.

Gravity of the oil is 37, lowest yet found in Turner Valley.

Oil men feel that results at Okalta 6 now almost double the width of the field, again multiplying potential oil recovery.

* * *

Difference Striking

The McGillivray Royal Commission has resumed hearings in Calgary and one fact it should have no trouble in determining is that expert witnesses can disagree.

For instance, Dr. B. B. Boatright, prominent petroleum engineer of Texas, states that the life of the proven oil area is from 31 to 46 years. Dr. T. A. Link and Stanley J. Davies, both witnesses for Imperial's Royalite Oil Co. and local residents, say that it is only likely to be two or three years.

The investigation so far has been to ascertain if pipeline rates from Turner Valley to Calgary are reasonable. To determine a fair rate, it is necessary to know the life of the Turner Valley field, for in setting a rate, pipeline cost must be amortized over the period of years that it is likely to be in operation.

Consequently if the field was only going to produce for two or three years, as the Royalite witness stated, the present rate of 15 cents per barrel would perhaps be justified. On the other hand, if the life of the field was 31 to 46 years, as estimated by Dr. Boatright, it would almost certainly mean that pipeline rates were far too high.

* * *

Royalite Still Drills

Supporting his claim Imperial's Dr. Link set the proven area at 3,623 acres with reserves of 7,300 barrels an acre. An additional 13,000 acres, he thought, might prove productive of oil, and he would estimate reserves of this acreage at 6,000 barrels an acre.

Dr. Boatright did some rapid calculation and pointed out that if Dr. Link's estimate were correct this could yield a profit of only 10% on the hazardous undertaking of drilling an oil well.

"Would Royalite drill a well in expectation of only a 10% profit?" Dr. Boatright asked Imperial's Link.

"The psychology of the oil business is that every operator thinks he is the one who is going to get the big well," Link replied.

Boatright pointed out that Royalite had not long since acquired additional acreage in Turner Valley.

"If the reserves are only 7,300 barrels an acre, would you drill another well?" he asked.

"We are going to have to," Dr. Link replied. "We have contracts."

"You could give up the land?"

"Yes," Dr. Link admitted.

Dr. Link also informed the Commission, "I look upon Turner Valley as a gas field with oil as an incidental."

* * *

31-46 Years

Dr. Boatright, the Texan, has a very different estimate of Turner Valley oil reserves. He believes this field alone—without any reference whatever to probable production from other Alberta oil structures—would be able to produce 15,000 barrels a day for 31 years. If 5,000 acres additional were proven, he thinks Turner Valley might produce 15,000 barrels a day for 46 years. Dr. Boatright's estimates of acreage do not include the thousands of acres proven by the success at Home No. 2.

Dr. Boatright ended this phase of his evidence by saying that the Turner Valley field was a remarkable field and that if gas were properly conserved and efficient drilling methods used in further development his estimate of recoverable oil reserves would be greatly increased.

J. J. Frawley, K.C., commission counsel, cross-examined Dr. Link. He read evidence given by R. V. Le Sueur, vice-president of Imperial Oil, given before the Tariff Board in February, 1938. At that time Mr. LeSueur agreed that recoverable oil per acre was approximately 23,000 barrels and stated that this was the opinion of their company geologists. Dr. Link replied that he had revised his estimates of recoverable oil.

* * *

Home Resumes

Home Oil has resumed drilling on its No. 2 well to test the lower lime horizon. It is estimated that 75% of the production from Turner Valley wells is obtained from this lower stratum.

Production tests for short periods were taken of the upper lime horizon, and rates of flow varied very greatly. For short periods the well reportedly ran at 150 barrels per hour.

It is not yet possible to say what Home will produce, but oil experts who have seen it in action are convinced it is already a giant well.

* * *

Two New Wildcats

Anglo Canadian expects to get drilling started on two of their wildcat structures next week. At Twin Dome and Steveville the cellars are dug and the derricks erected. Anglo will also drill two wells in South Turner Valley.

* * *

Rates "Very High"

Pipeline charges from Turner Valley to Calgary charged by Imperial's Royalite "are still very high," the report on oil marketing by the Vancouver Board of Trade declares.

Rate on the pipeline from the mid-continent field to Sarnia—a distance of over 1,000 miles—is 62 cents per barrel with a 1% line loss. Royalite now charges 15 cents for the 30 miles from Turner Valley to Calgary, the report points out.

Charges for this distance have been as high as 35 cents a barrel. For several years prior to September, 1937, the rate was 22½ cents a barrel. At that time it was reduced to 17 cents a barrel. The pipeline loss for this distance was 2%, and loading charge 10 cents per barrel. In January, 1938, pipeline rates were further reduced to 15 cents a barrel with a continued 2% line loss. Loading or handling charges were reduced to 5 cents per barrel. On September 1, line loss was reduced to 1%.

Connell Interests Forming Company

Mount Zeballos Gold Mines Is New B. C. Company

From Our Own Correspondent

VANCOUVER.—Formation of a $1.5 million company to operate in the Zeballos gold field, bringing more eastern Canada money into the west coast camp, has been announced here by Wendell B. Farris, K.C.

Connell Exploration Company has exercised the option acquired last summer on a half interest in the properties held at Zeballos by the Farris Syndicate. Under this option the Connell Company was to provide necessary financing up to $400,000. During the past eight months, a working crew has driven a tunnel 1,600 ft.

The new company will be capitalized at 1.5 million shares, 400,000 of which will remain in the treasury; remaining 1,100,000 will be divided equally between the Connell Company, headed by Fred Connell of Toronto, and the Farris Syndicate.

Name of the new company will be Mount Zeballos Gold Mines Ltd. Directors will be A. B. Mortimer, K.C., E. A. Boadway, and James Ingram, of Toronto; J. F. MacDonnell, representing Connell interests here; W. B. Farris, R. H. Stewart, and Glen C. Hyatt, of Vancouver.

Mr. Mortimer will be president; Mr. Farris, vice-president; and Mr. Ingram, secretary.

Sturgeon Listed

Shares of Sturgeon River Gold Mines have been called for trading on the Toronto Stock Exchange on Friday, Dec. 16.

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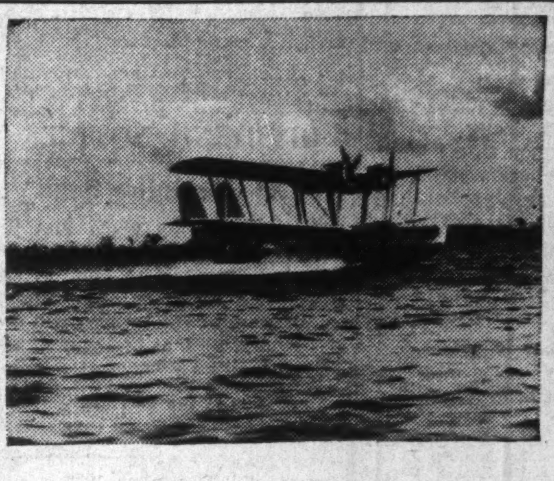

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Base Metals Mines Spending Greater

Expenditure in 1937 Is 60 Per Cent Over 1935 Figure

Over $59 millions was spent by base metal mines, smelters and refineries during 1937, 60% above 1935, last year in which a survey was made, a special bulletin of the Mining Metallurgical and Chemical Branch of the Dominion Bureau of Statistics at Ottawa, reveals. The survey includes purchases by the copper-gold-silver industry, the silver-lead-zinc industry, the silver-cobalt industry, the nickel-copper industry, and the silver-radium industry, in each case covering all the steps from mining of ore to refining of metal recovered.

Expenditures in 1937 are broken up as follows:

	1937 $
Freight:	
Incoming	8,597,961
Outgoing	3,894,949
Fuel:	
Coal, coke and wood	8,078,219
Electric power	6,327,729
Lumber and timber	3,227,606
Explosives	2,303,358
Electrical equipment	2,157,674
Smelter machinery	1,854,361
Building material	1,663,330
Total expenditures	59,331,709

Placer Recovery On Larger Scale

Recovery Last Quarter Better — Subsidiaries Declare Dividends

From Our Own Correspondent

MONTREAL. — Placer Development advises that for the three months to Dec. 1, 1938, Pato Consolidated Gold Dredging, dredged 3,890,000 cu. yards for recovery of 13,611 ozs. of fine gold and recovered with its hydraulic units, 1,237 ozs of fine gold. The value of the total production was $519,680. This compared with a total production of $439,845 for the preceding quarter and with $145,985 for the three months ended Dec. 1 a year ago.

During the same period, Asnazu Gold Dredging handled 421,000 cu. yards, recovering 3,119 ozs. of fine gold, equivalent to $109,165.

Rutherglen Gold Dumps declared a dividend on Dec. 8, of five shillings, (Australian) per share, and Gold Dumps Proprietary on the same date declared a dividend of one shilling (Australian) per share.

Oil News

Anglo-Canadian Oil Co. has sold 100,000 shares at $1 per share to Nesbitt, Thomson & Co., and granted an option on 300,000 additional shares at the same price. This financing was arranged to assist in drilling test wells on 5 structures comprising 90,000 acres outside of Turner Valley, and the drilling of two wells in the south part of Turner Valley.

* * *

British Dominion Oil & Development Co. is selling 50,000 shares at 10 cents to Tanner & Co., of Calgary, subject to legal advice, and is granting an option on 450,000 shares at 10 cents per share exercisable 150,000 shares by Jan. 31, 150,000 shares by Feb. 28 and 150,000 by March 31.

Command Oils No. 1 well is undergoing production methods test prior to being placed on Government production test. The well is expected to be in the 800 to 1,000 barrel class, according to reports.

* * *

Calwin Royalties No. 1 well has been located on L.S.D. 15, 5-19-2w5. It will be financed by sale of royalties.

* * *

East Crest Oil Co. annual report for year ended Sept. 30, 1938, reveals 50,000 shares of Gurney Gold Mines, and a 15% gross royalty and a 20% net preferred royalty on the East Crest No. 4 well were sold for $124,000 in order to finance this well. The No. 4 well is located just north of Anglo Canadian No. 1 well and is drilling below 3,500 ft. On sub-leases from Okalta Oil Co., royalties of 10 to 15% are payable to Okalta and 10% to the Alberta Government. Authorized capital is three million shares of which 1,577,587 are outstanding.

* * *

Harris No. 1 well was spudded in on L.S.D. 13, 9-18-2w5 last Saturday and is down over 1,000 ft. The No. 2 well on L.S.D. 15, 32-18-2w5 was spudded in last Friday and is down 100 ft. Both are financed through sale of preferred royalties.

Inland Development No. 1 well will be spudded in on L.S.D. 16, 18-18-2w5.

* * *

Oil Ventures is rigging its No. 1 well in northeast corner of L.S.D. 14, 32-18-2w5, former location of Freehold Royalties No. 7. New test is being financed jointly by the Neil MacQueen interests and C. C. Cross & Co. The only gross royalty payable is stated to be 10% to the Government; balance will be sold as net royalties to finance drilling.

* * *

Producers Crude No. 1 well has been completed but it has been necessary to make special efforts to remove tubing which is held at base of the hole due to caving. When tubing is freed, well will be acidized and placed on production.

Winalta Royalties No. 1 well will be drilled on L.S.D. 1, 5-19-2w5 financed through sale of royalties.

Crosscuts to Ore Zone Under Way at Augite

TIMMINS.—Following completion of its shaft to objective of 1,000 ft., Augite Porcupine Mines is running crosscuts to the indicated ore zone at the 875- and 1,000-ft. levels. On Dec. 12, 150 ft. of crosscutting had been completed on each level, representing a considerable portion of the distance to be traversed.

A diamond drill hole from the 750-ft. level recently at an angle of 23 degrees, to determine dip of the vein, made two intersections about 30 ft. apart. The first intersection returned $4.66 across 12.7 ft., and the second $11.57 across 12.5 ft. It appears the vein has now steepened to about 70 degrees.

Concentrates — Canada's Mines This Week

Aetna Mines sold 57,750 shares to Norman R. Fisher for $2,700 on Dec. 9, and granted an option on 1,942,245 shares: 392,250 shares at 13 1/3 cents payable within 12 months; 250,000 shares at 20 cents payable within 18 months; 250,000 shares at 24 cents and 249,995 shares at 28 cents payable within 24 months and 800,000 shares at prices to be determined ranging from 30 to 45 cents. Company incorporated Sept., 1938; authorized capital is 3 million shares with 1,057,505 issued.

* * *

Bonetal Mines is drifting on two levels from Hallnor workings. Results are stated to be encouraging.

* * *

Bur-Ley Porcupine Gold Mines is stated to be making financing arrangements to start work upon its holdings adjoining west side of Hugh-Pam property.

* * *

Big Missouri production for October and November is reported at $121,590 from milling 37,810 tons of ore, an average recovery of $3.22 per ton.

* * *

Bayonne Consolidated Mines is expected to suspend mining and milling operations shortly, as only about 2,000 tons of ore remains to be milled and exploration for new ore possibilities has given negative results. A group of 8 claims has been optioned on Sandpit Creek in Zeballos vicinity and preliminary work is under way. Operating profit for year ended Oct. 31, 1938, amounted to $150,925 with net loss of $101,217, after depreciation and deferred development. Balance sheet at Oct. 31, 1938, shows current assets of $60,901 against current liabilities of $30,718.

* * *

Barber Larder Gold Mines has begun drifting east on 400-ft. level.

Broulan Porcupine Mines cut a strong quartz vein in shaft sinking which is stated to show visible gold. The vein entered the shaft at 86 feet and stayed in to 116 feet depth. Dipping of ore into the shaft is regarded as important tending to disprove theory Broulan's ore bodies dip north to eventually enter Pamour Porcupine property at depth.

Bankfield Gold Mines production for November amounted to $54,395 from 4,140 tons of ore milled, an average recovery of $13.15 per ton. This compared with output of $54,983 from 4,080 tons in October, an average of $13.48 per ton.

* * *

B. R. X. (1935) Consolidated is making preparations to resume development in the new year, following assurances of French interests finances will be available.

Bulolo Gold Dredging estimated working profit for November amounted to $330,435 derived from production of 14,139 oz. of gold; this compared with working profit of $308,770 from 13,487 oz. gold previous month.

* * *

Brownlee Mines (1936) is seeking shareholders' approval, at special meeting on Dec. 28, to change its name to Joliette Mines. A further drilling campaign has been recommended for copper-bearing zone recently disclosed.

* * *

Central Manitoba had 77 properties submitted to it during the past year, and 26 were examined, but it has not yet secured a property on which it is willing to spend its $250,000 fund. It had a prospecting party in the field, but prospector M. X. Gilleran died in northwestern Ontario before anything of importance had been found. Shareholders at last week's annual meeting heard working capital had increased to $261,069. Revenue consisted of $28,774 for bullion obtained from a clean-up of tailings and mill. Cash totals $165,112. Investments include $10,000 of Greater Winnipeg Water district bonds and 50,000 shares of Berens River Mines of which 25,000 shares have been taken up at $1 per share. The company also owns three units in an oil drilling operation.

Part of the Gunnar Gold camp in Central Manitoba.

Chan Yellowknife Gold will carry out further development on holdings in Yellowknife area following completion of financing with Toronto brokerage firm, reports state.

* * *

Digby Dome Mines Co. optioned 1.3 million shares to G. G. McEwen on Nov. 24: 200,000 shares at 4 cents payable by Apr. 1, 1939; 100,000 shares at 5 cents payable by July 15, 1939; 100,000 shares at 7 cents payable by Oct. 1, 1939; and balance at 10 to 35 cents payable by Jan. 1, 1942, with a further option on 380,000 shares at 35 to 50 cents per share payable by January, 1943. Authorized is 3 million shares with 1,310,000 issued.

* * *

Dentonia Mines has opened up a length of 50 ft. of ore averaging about 2 ozs. gold per ton on its Golden Peak No. 4 claim, according to Nelson Smith, president. The east drift is stated to be showing the vein getting wider with the face averaging 2 ozs. gold across 18 inches.

* * *

Delnite Mines reports net profit of $63,023 for 6 months ended Sept. 30, after allowance for all charges including depreciation and deferred development. This compares with a loss of $23,978 for the previous 10 months. As at Sept. 30, current assets of $220,353 included cash of $165,192. Current liabilities amounted to $85,799, leaving working capital of $134,553.

* * *

Empire Mercury Mines will enlarge development programme while continuing small scale production of quick silver. Sale of ten flasks of mercury was arranged last week.

* * *

Fernland Gold Mines has received Dec. 15 option installment of $6,250 for 41,667 shares at 15 cents from Consolidated Mining and Smelting Co. under agreement of Oct. 5, 1938. Next installment of 25,000 shares at 15 cents and 12,500 shares at 20 cents is due by Jan. 15, 1939. Issued capital is 2,075,005 shares.

* * *

Grace Larder Gold Mines is completing arrangements which should allow taking a mining plant into the property by the end of January. Deal is with New York interests and agreement is to cover one million shares, all at a level price. When first payment under the deal is made in January, a report will be made to shareholders, it is stated.

* * *

Gorham Gold Mines is stated to be negotiating for funds to carry out further development on property near Port Arthur. Plans call for sinking a shaft with lateral exploration on two levels.

* * *

Grull-Wihksne Gold Mines had a loss of $5,458 for year ended Oct. 31, 1938. Balance sheet at Oct. 31, 1938, shows cash of $3,513, advances amounting to $20,330 with accrued interest and 1,200,000 Bayonne Consolidated shares with a market value of approximately 1½ cents per share. Accounts payable were $66.

* * *

Inspiration Mining and Development Co. has moved diamond drill to its property at Lake Dufault. It is understood second diamond drill will also be taken in. The property is located south of newly-formed Continental Copper Mines.

* * *

Kirkroyale Gold Mines optioned 600,000 shares to George E. Harrison on Dec. 7, 200,000 being at 5 cents per share payable by June 1, 1939, 200,000 at 7½ cents payable by Oct. 1, 1939; and blocks of 100,000 shares each at 10 and 12½ cents per share payable by June 1, 1940. Authorized capital is 3.5 million shares with 2,369,650 issued.

* * *

Kirmaque Gold Mines has terminated option agreement of Oct. 4 with Albert J. Foley covering 1,086,800 shares at 10 to 70 cents, 26,000 shares were taken up at 10 cents.

* * *

Lapa Cadillac Gold Mines has received payment for Dec. 18 installment comprising underwriting on 32,815 shares at 40 cents under agreement of Aug. 19, 1936, with Sudbury Contact Mines. Balance of agreement comprises an underwriting on 65,625 shares at 40 cents with next installment payable on Jan. 18, and an option on 103,125 shares at 40 cents per share. Issued capital is 3,831,250 shares.

* * *

Leitch Gold Mines reports mint returns of $63,786 for production in November, the highest monthly figure in company's history. During month 2,759 tons of ore were milled, giving average recovery of $23.11 per ton. October output was $60,216 from 2,798 tons of ore, an average recovery of $21.52 per ton.

* * *

Lebel Oro Mines production for the first half of December at the Long Lake mine set a new high when gold brick was poured with estimated value of over $13,000. L. K. Fletcher, president, stated drilling had been done over area nearly 800 feet in length. It is understood cores so far have been somewhat erratic; further work is being undertaken.

* * *

Muton Long Lac Gold Mines has terminated agreement of Sept. 21 with Roger J. Webb covering 1,050,000 shares at 4 to 30 cents; no shares were taken down.

* * *

Murray-Algoma Mines optioned 750,000 shares to Wm. H. Hocking on Oct. 28, comprising 50,000 shares at 3 cents payable by June 1, 1939, 200,000 shares at 5 cents payable in 6 monthly installments of $1,500 each on or before Jan. 1, 1940, 100,000 shares at 6 cents per share payable by May 1, 1940, and balance at 15 to 40 cents per share payable by January, 1941. Authorized capital is 3 million shares with 1,275,017 issued.

Madsen Red Lake Gold Mines production for first 15 days of December is reported at approximately $46,337 with costs down to $3 per ton.

* * *

Opeepeesway Mining Co. has been formed with an authorized capital of one million shares to take over and develop Laflamme group of 21 claims located in Opeepeesway area about a mile west of Mining Corporation's Jerome property. It is planned to spend $30,000 in surface work and diamond drilling after breakup.

* * *

Oro Plata Mining Corp. has entered into arrangements for additional ground adjacent to original discovery in Monteith area, Porcupine district, bringing total holdings to 1,000 acres. Interest is also held in original discovery.

* * *

Powell Rouyn Gold Mines will commence deepening shaft from 800-foot level to around 1,500 feet soon after January, according to reports.

* * *

Read-Authier Mine assets consisting of shares in Sigma Mines, Lamaque Gold Mines and Union Mining Corporation are expected to be distributed starting before the end of the present month. Distribution will be made by Chartered Trust & Executor Co.

Relief Arlington Mines produced $38,150 in November from milling of 2,415 tons of ore, an average of $15.79, compared with October output of $34,930 from 2,512 tons, an average of $13.10 per ton.

* * *

Sturgeon River Gold Mines had net profit of $114,239 for 10 months ended Oct. 31, 1938, according to listing statement released by Toronto Stock Exchange. Balance sheet at Oct. 31, 1938, shows current assets of $203,034 including cash of $141,930 and bullion in transit amounting to $33,438. Current liabilities of $11,530, left working capital of $191,505. Drifting has been over 50% in ore at each level opened up. It is planned to sink shaft immediately for two additional levels below 750 feet.

* * *

Sheep Creek Gold Mines has opened up 100 feet of ore east in 81 vein at 400 level and there is now 190 feet in same vein on level below. A crosscut is being put out to this vein at 700 level to intersect it at greater depth.

* * *

Sioux Gold Mines sold 50,000 shares to F. S. Stratford on Nov. 26, payment to be made immediately, and granted an option on 650,000 shares as follows: 150,000 at 5 cents payable by Feb. 1, 1939; blocks of 200,000 shares each at 7½ and 10 cents per share; 100,000 shares at 12 cents payable $3,000 monthly commencing Mar. 1, 1939, $4,000 monthly commencing July 1, 1939, and $5,000 monthly commencing Dec. 1, 1939. Authorized capital is 3 million shares of which 1,144,005 are issued.

Spectacle Larder Lake Mines optioned one million shares to H. W. Waters on Dec. 1: 100,000 at 4 cents payable by Mar. 15, 1939; 100,000 shares at 5 cents payable by May 15, 1939; 100,000 shares at 6 cents payable by July 15, 1939, and balance at 7 to 25 cents payable by May 15, 1940. Authorized capital is 3 million shares of which 1,100,007 are issued.

Slave Lake Gold Mines will not carry on any work until next spring, shareholders were informed at the annual meeting held recently.

Tonawanda Mines optioned 147,500 of its 647,500 Orpit shares to Pioneer Mines of B. C., so that company will control Orpit if it exercises options.

* * *

Thompson Cadillac Mining Corp. has received payment for 13,750 shares optioned at 27½ cents to Federal Trading & Agency Co. Issued capital is 3,533,750 shares with 86,250 treasury shares remaining under option.

* * *

Wood Cadillac Mines has granted a month's extension on Dec. 15 installment comprising option on 100,000 shares at 20 cents under agreement of Aug. 17, 1938, with C. A. Gentles & Co., and also on Jan. 29 installment comprising option on 100,000 shares at 30 cents on the understanding that in event of negotiations for further finances now proceeding being successful, optionee will voluntarily surrender and cancel above options.

Security Movements Show U.S. Sends Canada Capital

Canada's net imports of capital in the first 10 months of 1938 amounted to $34 millions. This compares with a net export movement of capital in the corresponding period of 1937 amounting to $11 millions, and net imports of capital of about $1 million in the same 1936 period. These figures consider only Canada's international trade in securities.

It was the United States that provided most of the inflow of capital to this country this year. Sales of securities to the United States exceeded purchases from that country by more than $27.5 millions. With the United Kingdom the movement of securities resulted in Canadians buying over $8 millions more than they sold, or a net export of capital. When the net sales to countries other than United States and United Kingdom of almost $14.5 millions are considered, the net inflow of capital of over $34 millions is given.

Volume of Canada's international trade in securities in October was up almost 35% over September. A substantial part of the increase in purchases resulted from exceptionally large Canadian purchases of U.S. common and preferred stocks, the largest since Oct., 1937.

U.S. Buys Stocks

So far as Canadian stocks are concerned outstanding features of this trade were the preponderance of sales to the United States and purchases from the United Kingdom in the first 10 months of 1938. United Kingdom investors bought $16.8 millions of Canadian common and preference stocks while Canada repurchased $25.1 millions of Canadian stocks from United Kingdom holders. Sales of Canadian stocks to U.S. purchasers, however, totalled $70.4 millions while only $50.2 millions were bought back.

Trade in U. S. stocks is almost balanced for the 10 months although in October Canadians bought $16.9 millions of U.S. stocks while selling to that country $13.6 millions. There was some evidence that United Kingdom investors were becoming more interested in Canadian stocks in October as sales to that country of $3.2 millions were about $140,000 more than re-purchases.

Preference and Common Stocks
10 Months Ended Oct. 31, 1938

	Sales $	Purchases $
Canadian	104,856,458	80,681,859
United States	85,972,584	85,428,129
United Kingdom	424,906	561,780
Other countries	316,320	223,830

Bonds Sold on Balance

Movement of Canadian bonds and debentures so far in 1938 shows a balance of sales. Both the United States and the United Kingdom bought more Dominion bonds than they sold back to Canadians. In provincials there was a balance in favor of re-purchases in each case. Municipals were sold on balance in the case of the United Kingdom but purchases of Canadian municipal bonds from the United States greatly exceeded sales to that country. In Dominion guaranteed bonds sales to the United States exceeded purchases from that country but the reverse was the case with the United Kingdom. Railway bonds, not guaranteed by the Dominion, were bought back from the United States on balance but sales to the United Kingdom were larger than purchases from that country. U. S. investors favored other corporation bonds as sales were well above purchases but with the United Kingdom more corporation bonds were re-purchased than were sold to investors in that country.

Bonds and Debentures
10 Months Ended Oct. 31, 1938

	Sales $	Purchases $
Can. new issues	8,299,122	....
Can. outstanding issues:		
Dominion	26,245,109	18,005,603
Provincial	13,859,717	15,165,354
Municipal	7,642,554	11,929,962
Dom. gtd.	11,041,958	9,768,648
Railway, other	5,543,042	5,836,150
Other corporation	21,327,604	17,930,578

During the 10-month period, Canada sold on balance more than $15.3 millions of Canadian bonds and $24.2 millions of Canadian stocks to all countries. Net sales of Canadian securities to the United States during this period were nearly $30.9 millions, of which Canadian bonds amounted to about $10.8 millions and Canadian stocks over $20.1 millions. Net sales to the United Kingdom of Canadian bonds, to the extent of over $1.8 million, were more than counterbalanced by re-purchases of Canadian stocks from the United Kingdom exceeding $8.2 millions. Net sales to other countries were $2.7 millions of Canadian bonds and over $12.3 millions of Canadian stocks.

Troup Porcupine Gets Two-In-One

Diamond Drilling Will be Done on Property of 2 Square Miles

At a meeting of shareholders of Two-In-One Gold Mines held on Dec. 17, an offer of Troup Porcupine Mines to purchase the Two-In-One property of 25 patented and 3 unpatented claims, in the Porcupine area was accepted.

The offer calls for Troup Porcupine Mines to issue 496,511 shares to Two-In-One Gold Mines to be distributed to shareholders on the basis of 3 Troup Porcupine shares for each 20 shares of Two-In-One Mines held after release from pool by the Ontario Securities Commission. In addition to shares, $10,200 in cash is to be paid by Troup Porcupine Mines to settle Two-In-One taxes and outstanding claims.

The claims being taken over from Two-In-One Gold Mines in Whitney twp., will not be the only property of Troup Porcupine which is also taking over 6 claims adjoining along the south for a share consideration to be determined.

A programme of diamond drilling is planned for the Two-In-One section and work should get under way in about a month. Three engineers are stated to have made exceptionally fine reports on the property in the past although diamond drilling has not so far been completed.

Authorized capital of Troup Porcupine Mines is 5 million shares. In addition to shares issued for the Two-In-One property, shares will be sold to provide the $10,200 needed to complete the purchase of the property, and an option agreement will be drawn up to provide funds for development. Several offers have been received from parties willing to provide funds, including one English group, but no offer has yet been accepted.

Mining Dividends

	Rate	Dec. 19	%
Anglo-Huronian	10c	3.10	3.2
Beattie Gold	15c	1.32	11.3
Bralorne	80c+10c	11.75	*7.7
Buffalo Ankerite	$1	15.00	6.7
Bulolo Gold	$3	26.00	11.5
Can. Malartic	9c	.90	10
Cariboo Gold	10c+6c	2.49	*6.4
Central Patricia	16c+2c	2.42	*7.4
Coniagas	25c	1.75	..
Coniaurum	15c	1.49	..
Cons. Smelters	$1+$1.50	59.59	*4.2
Dome Mines	$2	32.75	6.1
Falconbridge	30c	5.50	5.4
Goldale	†2c	.27	..
Gunnar Gold	6c	.60	10
Hedley Mascot	12c+4c	1.30	*12.3
Hollinger	65c+45c	14.75	*7.4
Howey Gold	4c	.30	..
Hudson Bay	$1.50	33.37	4.4
Inter. Mining	50c	8.75	5.7
Int. Nickel com	$2	54.25	3.7
Island Mountain	10c	1.35	7.4
Jack Waite	†1½c	.27	..
Kerr Lake	5c	.50	..
Kirkland Lake	8c+2c	1.25	*8
Kootenay Belle	16c+2c	1.50	*12
Laguna	†5c	.07½	..
Lake Shore	$4	49.25	8.1
Lamaque Gold	10c	6.70	..
Lava Cap M.	11c	.80	13.7
Leitch	†2c	.80	..
Little Long Lac	30c	2.86	10.5
Macassa	20c+5c	5.40	*4.6
McGillivray Creek	3c	.18	..
McKenzie Red Lake	12c	1.25	9.6
Moneta	†3c	1.28	2.3
McIntyre Porc.	$2	53.25	3.8
Noranda	$4	78.00	5.1
Nipissing	15c	1.68	..
North Empire	80c	8.75	9.2
Oro Plata	†4c	.44	9.1
Pamour Porc.	‡12c	4.45	2.7
Paymaster	1c	.46	..
Perron Gold	16c+1c	1.55	*11
Pioneer, B.C.	40c	2.50	16
Pickle Crow	40c	5.00	8
Placer Develop.	$1.20	13.75	8.7
Premier	12c	2.25	5.3
Quebec Gold	†2c	.80	..
Reno	8c	.23½	..
San Antonio	14c	1.25	11.2
Sheep Creek	12c+2c	.95	*14.7
Silbak Prem.	8c	1.75	4.6
Siscoe	19c+1c	1.30	*15.3
Sudbury Basin	10c	2.80	3.6
Sullivan Cons.	5c	.90	5.5
Sylvanite Gold	20c+5c	3.30	*7.6
Teck-Hughes	40c+5c	4.55	*9.9
Toburn	8c+6c	2.20	*6.3
Ventures	37½c	5.30	7
Wright-Harg.	40+30c	8.10	*8.6

*Yield includes bonus. ‡Interim.
†Initial.

Mining Lands May Revert to Crown

Owners Given Six Months to Settle Over Three Years' Arrears

Approximately 52,000 acres of mining lands may revert to the Crown for arrears of taxes, according to the Ontario Gazette. These lands are in arrears for over three years and the Government is calling for payment by June 30, 1939.

Majority of holdings are in outlying regions where little prospecting is being carried on. Some claims listed, however, are in sections which are considered as staked solid. Among these are three claims in Deloro twp., and three in Shaw twp., Porcupine area. Patents for these claims were issued as long ago as 1913 when the Porcupine camp was still in its infancy. Some of the other claims, in the Lorraine twp. silver area, and in McGarry twp., Larder Lake area, were patented in 1928 and 1929.

Mining Enquiries

Norbeau Mines

WHAT do you know of Norbeau Mines? Can it be considered a long-pull speculative investment?

Norbeau Mines owns a gold property comprising 351 acres in Dubuisson twp. and 1,630 acres in Mackenzie twp., Chibougamau area, Que. Diamond drilling carried out on the property has indicated an ore shoot with a length of 800 feet averaging 0.35 ounces gold per ton across a width of 4½ feet. Drilling was to a depth of 500 feet.

Now the Quebec Government is providing improved transportation facilities into the area, it is expected that Noranda Mines, which controls the company, will proceed with underground development of the indicated ore shoot. No definite announcement of this has been made, however. The company's shares appear to hold some attraction from a speculative point of view.

Bagamac

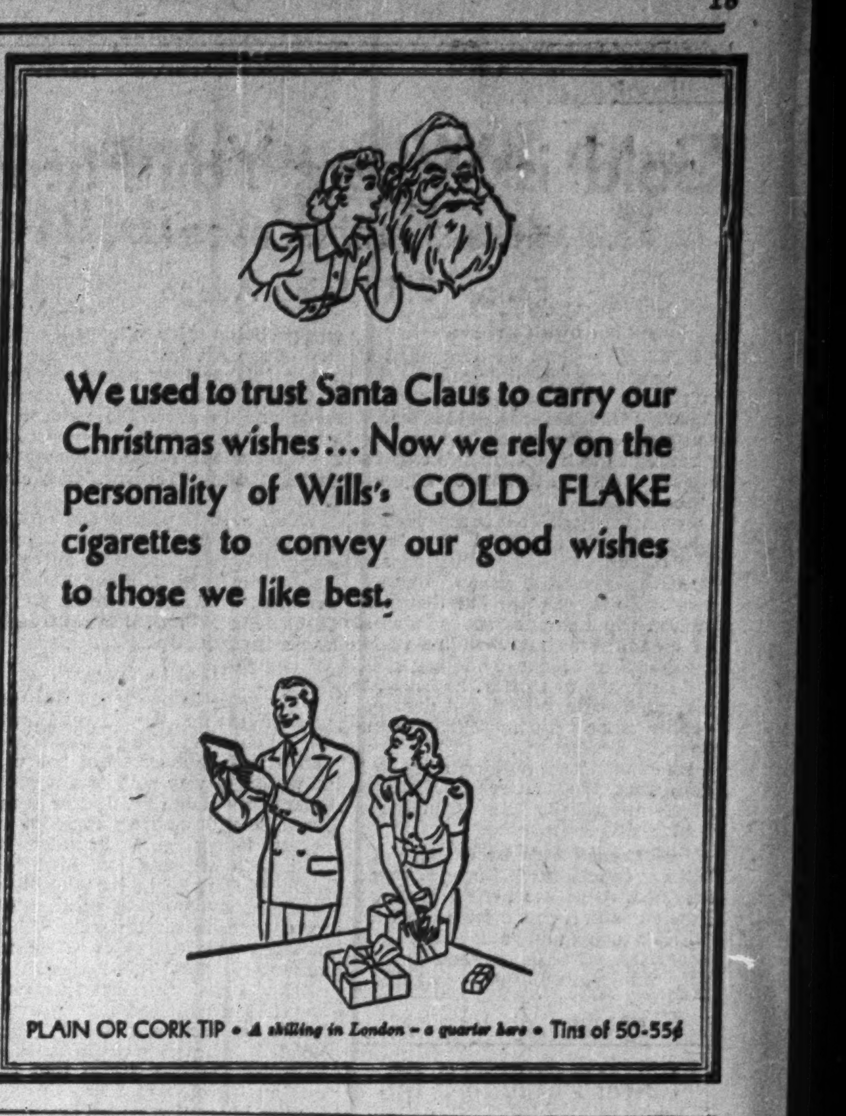
What is Bagamac doing at present?

Bagamac Mines owns a copper-gold prospect in the Rouyn area of Quebec immediately south of Noranda Mines Ltd. Considerable work has been done on the property including the sinking of a shaft to a depth of 270 feet with several hundred feet of crosscutting and drifting done. Work in 1938 has been restricted to diamond drilling and The Financial Post has not been informed of any high values being obtained. The company was encouraged by results obtained on the Senator Rouyn property adjoining and drilling has been laid out in an attempt to pick up the extension of ore showings on Senator Rouyn ground.

Profit Margins

If gold is revalued at $20.67 per ounce, the old price, mines in the Malartic area treating low-grade ore will suffer more than those in the Little Long Lac area where higher-grade ore is treated. Is this so?

While most of the gold mines in the Little Long Lac area are milling a higher grade of ore than those in the Malartic area of Quebec, it does not necessarily follow that Little Long Lac companies would be in a better position than companies in the Malartic area if gold should be revalued at the old price of $20.67 per ounce. The important thing to be considered in this connection is the margin of profit being realized. A company which recovers $7 per ton and has costs of $3.50 per ton should be in approximately the same position as one which is treating ore running $20 per ton with costs of $10 per ton. Profits margins in the Malartic area, however, may be somewhat lower than in the Little Long Lac area.



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Oil Now Facing New Era

(Continued from page 9)

than the special 20-cent rate granted export wheat.

To handle a similar quantity of oil (30,000 barrels daily) would require about 550 tank cars, 8,000 gallon capacity in continuous operation. Put another way, a freight train, one mile long of 130 of these cars, running every day could handle the same amount of oil.

Average cost of building pipe-line on United States experience has been just about one-tenth of the cost of building a railway line.

Pacific Market

But even if Alberta oil can be delivered at seaboard at a good competitive price, will the world buy it? The report points to various reasons why oil-starved nations may be expected to pass other oil fields and buy Alberta crude.

Oil fields in Southern and Central America are constantly menaced by unstable, sometimes confiscatory, governments. Roumanian oil fields appear to be the next bite for Hitler. Increasing mechanization of Russia points to its oil needs consuming its entire production, probably requiring much more than is now available within its own borders.

Further geographic advantages argued for an outlet at Vancouver relate to export possibilities.

F. E. Burke in his section of the report, declares: "With the oil developments that have and are taking place in the different parts of the world, and keeping in mind the factor that this world development is more or less in the hands of the same people, we feel safe in saying that the principal markets open to Alberta oils would be largely those countries bordering on the Pacific ocean allied with the British Empire. This factor may be aided by Empire preferentials.

"We are inclined to believe that Alberta's best export prospects would be Japan, a certain portion of China, Australia, New Zealand, Oceania and further down toward the Malayan Peninsula and Singapore."

The report points out that production of oil fields in these areas is not great and is not showing material increase and that all these are much more vulnerable to attack in war than Alberta.

Two handicaps to this development are pointed out: Tanker tonnage is controlled almost 100% by companies or subsidiary companies of the big world oil interests. Hence, says the report of F. E. Burke, "Unless these people can be interested in developing the Alberta fields for export business, it would necessarily mean that new tanker tonnage would have to be built."

The other is the need for some large storage facilities at some coastal point, also refining facilities for the production of by-products, again a job that could be undertaken by big companies if they chose to do so.

Before drawing conclusions, however, it must be remembered that the price of crude oil paid to the producer fluctuates. The Turner Valley price has been very stable and although the price for crude in nearly all the fields of the United States has gone down considerably in recent months, the Turner Valley price has remained at its level of around $1.20.

Sharp changes in the Alberta crude price could, therefore, considerably change some of these figures.

Solution of the Alberta oil marketing problem cannot be tossed off with a single cocktail. There are still if's and but's.

But there is a lot of down-to-earth understanding in the conclusion of oil-men that oil found in important quantity anywhere in the world has always been marketed. And Alberta now stands on the brink of important quantity production.

Colony Oil & Gas Co. Reports on Progress

Colony Oil & Gas Company Ltd., with three wells operating, reports that No. 1 encountered an open flow of 38,800 m.c.f. of gas at 1,701 ft. No. 2 well has an open flow of 11,420 m.c.f. of gas. No. 3 well is producing oil at the 1,700-ft. level with the casing perforated at 1,395 ft. for gas, which is being used for pumping operations carried on at the same well.

Negotiations are being carried on for supplying gas to the City of Saskatoon. If negotiations are successfully concluded a pipe line will be constructed next spring at a cost of $4.5 millions which is now available.

MINES and OILS

New, up-to-date Information for Investors

The Financial Post SURVEY OF MINES 1938-9

Here are 348 pages brim full of new and timely information, essential not only to investors, but mining executives, manufacturers of mining equipment and a host of others. This new book, just off the press, gives full information about operating mines and properties under development; financial and other data about the companies; contains maps of every mining area and development of consequence and valuable facts concerning the industry as a whole, its growth, production, prices, etc. The edition is limited. The demand has been exceptional. Order your copy of this useful book NOW before the supply is exhausted. Size 12" x 9" — 348 pages — price per copy, postpaid, $2.00.

The Financial Post SURVEY OF CANADIAN OILS-1939

This brand new book is published to meet the widespread demand for up-to-the-minute information which has resulted from increased investment interest in Canadian oils and substantial developments in the industry. It presents a complete picture of the current situation; covers every field, with all facts checked on the field. It gives details of properties, drilling contracts, royalties, etc.; covers both oil and natural gas companies. Special maps and charts are included. An invaluable reference book for executives in the industry, geologists, manufacturers of machinery and supplies, as well as investors. Size 9" x 6"— 188 pages — price per copy, postpaid, $1.00.

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Banking

Gold is Where You Put It

Trade Statisticians Do Not Follow Old Mining Adage

From Our Own Correspondent

OTTAWA.—Gold is where you find it, according to the mining men. But to the statisticians who look after Canada's trade returns, gold is where you put it. As a result, controversy is raging as to how Canada's exports of gold should be treated on a permanent basis.

In many countries it is regarded as money. In Canada gold is a large part of the national production and forms a substantial part of our exports. So it was decided that gold bullion when shipped abroad should be classified as merchandise under the heading of non-monetary gold. Gold shipped as money, however, is termed monetary gold and does not appear among the merchandise exports.

Had there been nothing more to it than that the matter would have been quite simple. But a number of complications arose.

Complicated by Crisis

Since conditions in Europe became strained, there has been a considerable demand for gold from the United Kingdom and other European countries. These countries, while they wanted to buy gold, felt that it was probably safer to leave it on this side of the Atlantic.

Accordingly they asked the Bank of Canada to act as a warehouse for them and to store the gold in its vaults. This gold, held under earmark for clients abroad, does not appear in the trade returns. Many claim it should.

When sold it passed out of Canadian ownership. While not actually shipped it is regarded as an export just as much as if it had been sent overseas. Sold as a commodity to the purchasing nations, it is regarded as non-monetary gold.

Hard to Trace

Only trace in our trade returns is a note in the monthly report showing the net change in the gold held under earmark, in ounces. But the value at which it was sold is not stated. Strangely enough the figures of merchandise exports are given first with non-monetary gold included and then with all gold excluded. The Bank of Canada in its monthly return shows exports of gold adjusted for changes in earmarked gold. It is possible therefore to calculate what our total exports are, including earmarked gold. But for some reason no effort is made to put such a calculation in our total trade returns. When it is noted that the trade bulletin for October states that there was an increase of 1,980,470 ounces for the 12 months ended October 31, and of 924,833 during the month, it is evident that the inclusion of these earmarked stocks would make a great difference in the trade figures.

Some difference also exists regarding exports of foreign coin. These have been treated recently as re-exports of foreign produce though they were probably never shown as having been imported into the country. A large proportion of such coin has been here so long that it should now be naturalized.

Many will wonder why gold coin should be exported when foreign countries are buying gold bullion for storing in this country. The reason is that foreign hoarders of gold prefer to hoard coin which has been marked officially. Most of the coin which has been exported has been stamped as sovereigns or eagles.

People are willing to pay a premium for gold coin over gold bars. The Bank of Canada apparently can't take advantage of this situation, but the Royal Mint being a business concern, can. Accordingly the Bank of Canada swaps its foreign gold coin for bars of Canadian gold from the Mint. The Mint sells the gold eagles and sovereigns so acquired to foreign individuals and institutions at a premium.

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Chartered Accountants
WINNIPEG
SASKATOON

L. J. ADAMS & CO.
Chartered Accountants
Dominion Bank Bldg.
REGINA - SASK.

STEMPEL and PATRICK
Chartered Accountants
SASKATOON and YORKTON
Sask.

WILLIAM F. REID
Chartered Accountant
705 Lancaster Building
CALGARY, ALBERTA

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Telephone ADelaide 2381
Branches — Montreal, Winnipeg, Vancouver

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Chartered Accountants
SASKATOON, SASK.

W. M. Crawford, president and managing director of the Empire Stevedoring Co. Ltd., Vancouver, who has been elected a director of the Crown Life Insurance Co.

Bank of Canada Weekly Statement

Changes shown in the Bank of Canada statement for the week ended Dec. 13, as compared with the previous week were for the most part small. Deposits of the chartered banks and of the Dominion Government with the Central Bank were each down approximately $2.3 millions. Notes in circulation were up about $262,000.

Balance Sheet

	Dec. 14 1938 $	Dec. 7 1938 $
Liabilities		
Capital paid up ...	5,000,000	5,000,000
Notes in circ.	173,284,284	173,022,430
Rest fund	1,348,414	1,346,414
Depos.: Dominion ..	31,446,100	33,760,841
Banks	206,584,930	208,919,606
Other	2,673,740	2,640,862
Total deposits	240,704,770	245,321,309
All other liabs.	3,869,820	3,521,662
Total liabs.	424,207,288	428,213,815
Assets		
Reserve: Gold	181,826,030	181,370,836
Res. in sterling and U. S.	43,844,476	46,751,964
Other curr.	2,005	2,073
Total reserve	225,672,511	228,124,873
Subsidiary coin	247,290	208,949
Investments:		
Dom. govt. short .	153,292,957	154,282,377
Other Dom. govt. .	39,497,940	40,291,827
Total invest.	192,790,897	194,574,204
Premises	1,713,468	1,712,704
All other assets	3,783,122	3,593,086
	424,207,288	428,213,815
Reserve ratio	54.51%	54.33%

Bank Chat

U. S. Money in Circulation

Circulation of money in United States is reported to have increased much more rapidly recently than is usual for this season of the year. For several years U. S. money technically defined "as in circulation," that is the amount outside the treasury in the Federal Reserve Banks, has shown a gradual rise. The amount in circulation during November was larger than at any previous time except for a short period during the banking holiday in 1933. The Federal Reserve Bulletin issued by the Federal Reserve System at Washington names among the factors causing this condition the expanding industrial payrolls, large relief payments and shipments of United States money abroad in connection with the European crisis.

* * *

The monthly bank directory of Canada for December reports the opening of two new bank branches and the closing of two. One of the branches opened was a sub-branch of the Royal Bank at Abernethy, Sask., and the other a branch of the Canadian Bank of Commerce at Perron, Que., which does not commence business till Jan. 2, 1939. The two offices closed were branches of the Royal Bank at Panama and Colon, Panama.

Weekly Bank Clearings

	Dec. 15	Change Year ago %	Dec. 8 1938 $
Halifax	2,388,548	—15.0	2,940,838
Saint John ..	1,553,847	+91.4	1,891,297
Moncton	890,432	+8.5	839,237
Sherbrooke .	759,412	—1.9	723.708
Quebec	5,017,786	—12.3	5,945,674
Montreal	93,291,853	—24.5	113,915,633
Ottawa	14,902,419	—26.5	27,991,813
Kingston ...	575,112	+1.3	701,514
Peterborough	628,364	—8.7	660,607
Toronto	103,030,913	—7.4	132,415,752
Hamilton ...	4,644,959	—11.5	5,301,853
Kitchener ..	1,015,075	—7.7	1,226,865
Brantford ..	870,922	—12.4	1,078,518
London	2,502,994	—5.4	3,054,739
Chatham ...	602,102	—13.1	701,807
Windsor	2,668,242	—18.0	3,098,150
Sarnia	446,692	—0.1	699,713
Sudbury	1,037,561	+3.7	857,307
Fort William	640,855	—11.0	808,425
Winnipeg ...	35,822,227	+21.7	38,539,255
Brandon	326,497	—17.7	359,283
Regina	3,517,891	+2.6	4,059,429
Moose Jaw .	554,950	—15.9	609,113
Saskatoon ..	1,242,682	—9.0	1,390,474
Edmonton ..	3,887,330	—3.3	4,071,105
Calgary	6,431,635	+9.0	6,661,610
Lethbridge ..	609,114	—3.8	529,141
Prince Albert	280,216	—12.6	328,748
Medicine Hat	184,700	+11.0	249,890
N. W'minster	630,669	—10.2	641,858
Vancouver ..	16,655,691	+3.4	18,187,637
Victoria	1,617,826	+4.3	1,869,031

FIDELITY
Insurance Company
of Canada
TORONTO

The Wawanēsa Mutual Insurance Company
Canada's Largest Fire Mutual

Organized in 1896

Assets Exceed - -	$2,000,000.00
Surplus - - - -	826,883.38
Dom. Govt. Deposit -	638,720.00

INSIST ON SECURITY—Then place your insurance on the basis of Broad Coverage and Favorable Rate—and save money on your Fire Premiums.

Head Office: WAWANESA, Man.
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- 2000 Agents Across Canada -

Insurance

Your Insurance Needs

What About Damage From Smoke or Exploding Hot Water Tanks?

Are your house and its contents adequately insured?

Suppose something went wrong with the hot-water boiler or hot-water tank in your house and they exploded and tore a big hole in the floor or the walls.

Suppose your furnace started to smoke when there was nobody home to stop it and covered your nice new wallpaper, your drapes and your pictures with a film of smudge.

Suppose a bad windstorm came up and took the roof off your garage or blew down the porch.

Are you protected against loss?

Suppose burglars broke in and took all your silverware, your wife's jewellery and other easily carried valuables. Could you claim any indemnity?

It is sometimes said that there are two classes: those who don't carry enough insurance and those who carry too much.

As far as private dwelling houses and their contents are concerned it is stated that the first-named class is by far the largest.

One reason that the average householder is often inadequately insured, especially as far as his household effects are concerned, is that he does not realize what their value is nor the hazards to which they are exposed. Having once bought his furniture and furnishings he often forgets about the various items and what it would cost to replace them.

Survey Often Surprises

A survey is often very revealing. Cases are known where householders have begun to take stock of their household effects room by room and found for instance that the pictures on the walls of their living room represented an investment which equalled a large fraction of the total value of the insurance carried.

A survey of the hazards to which these goods are exposed also would often be surprising.

The ordinary fire policy does not cover damage by explosion except losses caused by "the explosion of coal or natural gas in a building not forming part of gas works." Yet explosion is a hazard which is always present, especially in the wintertime when hot-water furnaces are in operation.

Cause of Explosion

In a pamphlet issued by the Canadian Underwriters Association, some of the causes of explosion are given as:

Omission to open valves after they have been closed for any purpose such as the making of repairs, replacing of washers, etc.

Freezing of pipes to or from the expansion tank.

Freezing of coils in hot-water fronts or backs of stoves or the pipes leading thereto or therefrom.

Excessive accumulation of sediment or corrosion interfering with the water flow.

Defects in construction of apparatus.

Fuel oil or furnace gases.

Then, of course, there is always the danger of explosion in a near-by building, explosion of sewer gas or some other cause.

Smoke damage might easily ruin the furnishings, decorations and whole interior of a house. Windstorm and hail are also factors which have to be taken into consideration.

Impact by aircraft or vehicles is also among various causes of damage.

Coverage against these contingencies is available in certain contracts to the ordinary fire policy and which can be added to it at any time.

Burglary Insurance

It is believed that the general public does not carry nearly enough burglary insurance.

In working out a programme, a good agent can give valuable advice not only as to what the hazards of loss or damage are, but as to what protection is available. In the last analysis the householder himself must determine what he should carry. The bank and trust company with which he does business are, of course, also interested.

Judge Fullerton Gratuity Is Not Subject to Tax

From Our Own Correspondent

MONTREAL.—Justice A. K. MacLean of the Exchequer Court of Canada has ruled that the Department of National Revenue has not the right to collect income tax on the $30,000 paid to the late Hon. Charles P. Fullerton upon his retirement as chairman of the Board of Trustees of the Canadian National Railways. The Department of National Revenue had sought to collect $9,700 in income taxes.

The court found that the retirement allowance paid to Mr. Fullerton was not "income" under the terms of the taxing act, but nothing more than a "gratuity."

The suit by the National Revenue Department arose out of the payment to Mr. Fullerton of $30,000 when his position was abolished by an act of Parliament two years before the end of the period for which he was engaged.

In approving the payment directors of the C.N.R. passed a resolution describing the payment as being "in relation to his services as chairman, to be paid to and accepted by him as a remunerative payment subject to income tax." The resolution was embodied in the receipt signed by Mr. Fullerton.

Thus, the decision of the Exchequer Court establishes the principle that a gratuity paid to a person by a corporation is not subject to income tax even though the recipient has signed a receipt for the money and has subscribed to a condition imposed by the directors that the payment is subject to income tax.

Bank Christmas Clubs Distribute $500,000

To ensure that necessary funds will be available at Christmas time, employees of many business and financial concerns operate what are known as Christmas Clubs to which they contribute during the year.

The Imperial Bank of Canada has ten such clubs operating in Ontario. The plan covers weekly deposits of 50 cents or up to $5 per month. Where a club runs from a membership of 2,000 to 3,000 it will be realized that it means considerable work for the staff. Before Christmas the bank issues a cheque for the balance to each member of the club. The average individual saving under the plan is around $35. Cheques issued this year would approach $500,000. In Brantford alone $111,349 has been distributed to 3,272 club members.

New Licenses

The Dominion Department of Insurance has issued cirtificate of registry to the following company authorizing it to transact in Canada the lines of insurance indicated:

The Halifax Fire Insurance Co. — Fire, accident, automobile, aviation, burglary, earthquake, explosion, falling aircraft, guarantee, hail, inland transportation, livestock, machinery, personal property, plate glass, property, sickness, sprinkler leakage, steam boiler, tornado and weather insurance.

Queen Insurance Company of America—Personal property insurance, in addition to the classes for which it is already registered.

London-Canada Insurance Co.—Personal property insurance in addition to the classes for which it is already registered.

Legal Directory

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TORONTO
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ROBERT FENNELL, K.C. DANA H. PORTER
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James E. Day, K.C. Thomas J. Day
Roland F. Wilson, LL.B. Arthur Kelly
H. Emerson Martin John R. Brimage
1116 FEDERAL BUILDING
85 Richmond St. W. Toronto 2

Insurance Notes

Fire marshal of British Columbia for the past 23 years, John Alfred Thomas is retiring from the Government service on account of ill health. His retirement takes effect at the end of the fiscal year Mar. 31. His duties meanwhile are being taken over by the Deputy Fire Marshal W. Walker.

* * *

G. M. Wears has been appointed manager of the casualty and liability department of Johnson & Higgins (Canada) Ltd., Montreal. He was formerly casualty underwriter of the General Casualty Insurance Company of Paris at Montreal.

* * *

Directors of the Merchants and Manufacturers Fire Insurance Company and of the Importers and Exporters of New York have recommended to shareholders a plan to merge the two companies under the name of Merchants and Manufacturers Insurance Co. of New York. Both companies are members of the group managed by Corroon & Reynolds Inc. The new company will have a capital of $1,000,000. The agreement is subject to the approval of the insurance departments of New York and New Jersey. The Merchants and Manufacturers entered Canada 10 years ago. In Canada the Corroon & Reynolds group operates under the direction of J. Marchand.

* * *

The Standard Life Assurance Company has moved its Toronto branch office to larger quarters in the Toronto Star Building. The Standard Life established in Edinburgh in 1825 was the first company to do business in Canada, commencing here in 1933. The oldest living Toronto policyholder is V. B. Wadsworth, recently general manager of the London and Canadian Agency Company, and who recently celebrated his 95th birthday. The company's dividends to policyholders were unaffected through the depression.

* * *

Regulations affecting the licensing of agents in British Columbia will be tightened up. No more part-time agents will be licensed in communities of more than 5,000. It is also recommended by the advisory board that agents must maintain an office and not work from a residence. The board is stated to be particularly anxious to be informed of any individual offering insurance for sale without a license or of any unethical conduct by anyone in the business.

* * *

At the recent annual meeting of the American Life Convention in New York, A. B. Wood, president of the Sun Life; A. N. Mitchell, president of the Canada Life, and H. W. Manning, general manager of the Great West Life, were elected vice-presidents for Quebec, Ontario and Manitoba respectively.

Distillery Firm Has Annuity Plan

Hiram Walker-G. & W. Establishes Retirement Income

A contributory retirement annuity and group insurance plan has been announced by Hiram-Walker Gooderham & Worts Ltd.

The plan becomes effective Jan. 1 when all employees of six months standing, between the ages of 35 and 60, will be eligible. There is no age restriction for the group insurance.

For the retirement annuity which is effective at 65 the employee in Canada pays 4% of his annual salary. This amount is supplemented by the company's contribution which is more than half of the total payment. The retiring employee gets an annual income for life equal to 40% of his total contribution.

There is also provision for a past service annuity.

If an employee dies before retirement his contributions plus interest are paid to his estate. If he leaves the firm before normal retirement date special terms of payment are arranged.

The plan in Canada involves purchases of annuities from the Canadian Government and a group composed of the Mutual Life of Canada, the Confederation Life and the London Life.

The group insurance plan is available to all directors, officers and employees of the company in Canada and the United States and obligatory to all taking the annuity.

Canadian Dept. For Aetna Fire

R. H. Leckey to Be in Charge—Company Entered Canada 1821

The Aetna (Fire) Insurance Company and its subsidiary, The World Fire and Marine Insurance Company, have decided to establish a complete Canadian department at Toronto, according to an announcement made this week by President Ross McCain. R. H. Leckey, present manager at Toronto for the Aetna, will be in full charge, and he will continue to have as his associates special agents C. J. Malcolm of Toronto, G. L. Pratt of Winnipeg, R. Long of Vancouver and marine special agent P. S. May of Toronto.

Since 1821, when the Aetna entered the Canadian field, the Canadian department of the companies has been directed from the head office at Hartford.

Clyde S. Whitham, who has been examiner of Canadian business for a number of years, will be permanently transferred to the Canadian department as chief examiner. Agency supervisor W. L. Perry will be moved to Toronto temporarily to assist in establishing the department in its new quarters.

Insurance Problems

Halifax Fire

I am considering the purchase of some shares of the Halifax Fire Insurance Company. Would you give me a report on this company?

The Halifax Fire Insurance Company is the oldest of its kind in Canada. It operates under Dominion license and enjoys a large volume of business. In 1937 it showed an underwriting loss but this is something that might occur with any company over a term of years. Total assets at the close of 1937 were $5,708,000. Excess of assets over liabilities exclusive of capital stock amounted to $3,827,000. The outstanding capital is $2 millions. Company's current dividend rate is 10% on the capital stock outstanding. It has recently embarked on an aggressive campaign of expansion.

The shares are currently quoted at $23 bid to $23.75 asked, the market being an unofficial one.

Obituaries

Dr. Frank Sanderson, consulting actuary to the Ontario Insurance Department, died in Toronto, Dec. 15, in his 78th year. He was formerly associated with the Manufacturers Life Insurance Company and with The Canada Life Assurance Company.

* * *

Alvin Wachsmuth, general manager Western Steel Products Ltd., died at Toronto Dec. 15. He was born at Elmira, Ont., and was in his 48th year

* * *

George Ian MacLean, former gold commissioner of the Yukon Territory, died at Toronto, Dec. 16. He was born at Hamilton, Ont., and was in his 65th year.

* * *

Edward Goodwill, formerly vice-president and sales manager of the Thomas Davidson Manufacturing Company Limited, of Montreal, died at his home in Waterloo, Que., last week. He was in his 71st year.

Booth Joins Paton Board

From Our Own Correspondent

MONTREAL.—At a meeting of the board of directors of Paton Mfg. Co., J. W. Booth, general manager of the company's branch at Sherbrooke, was elected a director.

Anglo-Can. Underwriters Appoint General Manager

W. Gordon Drysdale has been appointed general manager of Anglo-Canadian Underwriters Limited, according to an announcement by President R. H. Cook.

Mr. Drysdale has had over 25 years experience in the insurance business in both the brokerage and the underwriting fields. For the last 15 years he has been a director of Willis Faber & Co. of Ontario Limited, as well as chief agent in Canada of the Sea Insurance Company Limited.

Anglo-Canadian Underwriters have close connections with Lloyd's Underwriters, London.

THE LONDON & LANCASHIRE INSURANCE CO. LTD.
ABSOLUTE SECURITY
W. R. HOUGHTON
Manager

Each year for the last twelve years the Standard Life of Edinburgh has declared a . . . . .

$21
PER $1,000

ANNUAL COMPOUND BONUS

addition to the Sum Assured ... In 1938 this yielded for the year to many of the older members over

$40
PER $1,000
on the original sum assured

Generous Cash Dividends were also declared under the Cash Dividend Plan.

THE STANDARD LIFE
ASSURANCE COMPANY
HEAD OFFICE: 3 GEORGE STREET, EDINBURGH
HEAD OFFICE FOR CANADA, 391 St. James Street, MONTREAL

All policies are written and issued in Canada and claims are admitted and paid by the Canadian Board of Directors.

W. H. CLARK-KENNEDY, Manager for Canada, 391 St. James St., MONTREAL
Branch Offices are maintained in the following cities: Toronto, London, Ottawa and Hamilton, Ont., Fredericton and Saint John, N.B., Halifax, N.S., and Vancouver, B.C.

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THE SHIELD OF PROTECTION
THE PORTAGE MUTUAL INSURANCE CO.
MUTUAL SERVICE WITH SECURITY
ESTABLISHED 1884

A SOLID FOUNDATION
An enviable reputation for efficiency, courtesy, promptness and fair dealing, earned during 54 years of unfailing insurance service, is the cornerstone upon which this Company stands secure.

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The PORTAGE LA PRAIRIE MUTUAL INSURANCE COMPANY
PORTAGE LA PRAIRIE, MAN. WINNIPEG, REGINA, EDMONTON

The Independent Order of Foresters
Monthly Income During Disability

Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.

In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1,000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.

The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.

FRANK E. HAND,
Supreme Chief Ranger.

HEAD OFFICE, TEMPLE BUILDING,
TORONTO, CAN.

37 YEARS

SINCE 1901 NORTHWESTERN MUTUAL HAVE RETURNED MORE THAN 23 MILLION DOLLARS IN DIVIDENDS TO POLICYHOLDERS.

BRANCHES ACROSS CANADA

Toronto
Hamilton
Ottawa
Halifax
St. John
Moncton
Quebec City
Montreal
Winnipeg
Saskatoon
Edmonton
Calgary
Kelowna
Victoria
Vancouver

NORTHWESTERN MUTUAL FIRE ASSOCIATION
NON ASSESSABLE POLICIES ASSETS $7,683,067

Fire Insurance and Allied Lines
AGENCY INQUIRIES INVITED
NATIONAL RETAILERS MUTUAL INSURANCE COMPANY

A Sound Partnership
YOU AND THE SUN LIFE OF CANADA
HEAD OFFICE — MONTREAL